

FINANCIAL TIMES

Start the week with...



What it means

for Africa



Business Travel Life in the

Today's survey

Turkey

World Business Navispaper http://www.FT.com

in US considers radical reforms

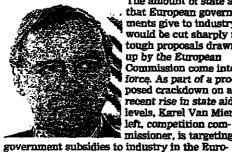
The Securities and Exchange Commission, the US financial regulator, is considering the most sweeping revision of its powers in its 63-year history, in response to the growing influence of online trading and alternative stock exchanges. The changes could encourage the formation of stock exchanges on the internet, cut the regulatory burden on small exchanges and allow the nation's largest markets more flexibility in offering new products. Page 16; Call for European extranet, Page 11

Citicorp, the US bank, has abandoned plans to buy a fund management business and instead has recruited Peter Carman, former head of equities at Boston-based Putnam Investments, to be its chief investment officer, in the hope that he will attract other high-powered money

Cuba defiant in hardline stance: Cuba's ruling Communist party, turning a deaf ear to international calls for political reform, has published a policy document asserting that one party socialism is the island's only effective defence against US hostility. Page 4

Army coup in Sierra Leone: Junior officers in Freetown announced the overthrow of the civilian administration of Sierra Leone's president Ahmed Tejan Kabbah, ending a short-lived experiment with democracy. Page 4

may curb state aid to industry The amount of state aid



that European governments give to industry would be cut sharply if tough proposals drawn up by the European Commission come into force. As part of a proposed crackdown on a recent rise in state aid evels, Karel Van Miert left, competition commissioner, is targeting

pean Union's needy regions. Page 2 Bank Handlowy, one of Poland's largest banks, could be valued as high as \$1bn when it goes on sale today in central Europe's largest

privatisation of a financial institution. Page 17 Formula One float still a runner: Plans for the \$3.2bn flotation of Formula One Holdings, the motor racing series controlled by Bernie Ecclestone, were still on track in spite of a

row with racing teams over terms. Page 16 Serbian banks combine: In an effort to restructure Serbia's ailing banking system, the the formation of a group of at least 20 banks. Page 17; Bank to borrow, Page 18

Fire kills 130 looters: Arsonists set fire to a shopping mall in Banjarmasin on the island of Borneo, killing at least 130 looters who had charged inside during a political riot in the Indonesian election campaign, police said.

Romania receives neighbour: Hungary's president Arpad Goencz arrived in the Romanian capital of Bucharest on the first visit by a head of state in the history of the two countries His host, Emil Constantinescu, said it was "a symbol in this troubled zone of the Balkans".

Acceptance for Taliban: Pakistan became the first country to recognise the Taliban Islamic militia as Afghanistan's government. Taliban success stirs fears, Page 8

France searches for missing coins: Officials at the Monnaie de Paris, the body responsible for minting French coins, have launched an inquiry into why large quantities of coins are disappearing from circulation. Page 2

England cricket sweep: England completed an unexpected 3-0 sweep of Australia in one-day cricket internationals, comfortably overhauling Australia's 269 with six wickets to spare. The win gave England their first series win over Australia since taking the Ashes and the World Series Cup one-day event in a 1986/87 tour.

European monetary system: The EMS grid remained static last week, with only the Irish punt moving. The punt fell back, to below 7 per cent away from its central rate within the exchange rate mechanism. Currencies, Page 27

May 23, 1997 EMS: Grid Peseta Marrica Guilder D.Kroue 8% 0 3 2%

The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the system. Most of the currencies are permitted to fluctuate within 15 per cent of agreed central rates against the other members of the mechanism. The exceptions are the D-Mark and the guilder which move in a 2.25 per cent band.

FT.com: the FT web site provides online news, comment and analysis at http://www.FT.com



O THE FINANCIAL TIMES LIMITED 1997 No 33,300

Special report, Page 15

Markets regulator China's fledgling tourists spread their wings

By James Harding in Shanghai chance to see the real sea," he sun. Mr Song Chaoqi, general Asian countries have started by travel companies and a places. They want to hurry

Mrs Jiang and her family have just got back from holiday and are unpacking their swimming trunks and sun cream after a week on Thailand's heaches.

Mrs Jiang's husband, a retired electrician living off a modest fortune from Shanghai property, wishes more of his countrymen could take a vacation abroad.

"China's seaside is yellowy brown, but Thailand's waters are clear and fresh. More

says. It was hardly a ploneering trip, but the Jiangs are in the vanguard of the mainland Chinese holidaymakers set to change the face of international tourism. When Shanghai's China

International Travel Service, one of many travel agents in China's most cosmopolitan city, started offering trips to Thailand, Malaysia and Singapore in 1994 just 300 people signed up for holidays abroad. Last year, 3.000 Shanghai-

manager of the agency, says: "Overseas tourism is developing very fast. In the old days people saved all their money. Now spending money is fashionable and they want to get away for some relaxation."

Foreign travel was usually prohibited in Mao's China, and in the early years of China's reforms neighbouring countries were reluctant to host Chinese visitors, fearing millions might never leave. But as China's urban elite

offering tourist visas. Now Japan and Australia

are considering granting visas to Chinese package holidaymakers, banking on a potentially vast source of revenue. Most of the 5.06m Chinese people who left the country

The days of young Chinese backpacking abroad are still a long way off. Passports - let available. But some 1.64m

last year were travelling on

growing proportion of them are paying their own way. This year, Thailand is the tourist hot-spot for wealthy efforts to attract foreign visi-

shopping and a Thai cabaret maker is not interested in suntourists. "The philosophy is visitors going abroad should

mainland Chinese. For Yn5,800 tors - 1997 is "Visit China" (\$698) CITS offers a one-week year - but has only just package trip including four or started to address the rapid five days on the beach, two growth in tourists from China nights in Bangkok, a day's The government is quietly concerned about the potential loss of foreign exchange, and, The typical Chinese holiday- according to proposals being tans or sex, like many western istry, "the number of Chinese

from one sight-seeing spot to

Beijing has made great

another," Mr Song says.

France turns to the left in first round of election and leaves contest wide open

French poll rebuffs the

By David Buchan, Andrew Jack and David Owen in Paris

French voters yesterday delivered a stinging rebuff to the ruling centre-right coalition in the first round of the country's parliamentary elections, according to early exit

> Parties of the centre-right polled less than the combined forces of the left, according to the first voter surveys.

The far-right National Front looked set to benefit from protest voting, scoring an estimated 15 per cent.
If confirmed, the first-round

result would turn the crucial run-off election on June 1 when most of the 577 National Assembly seats will be decided - into a wide-open contest, and Juppé, the Gaullist prime minister, into immediate question.

The left - composed of the Socialists, Communists and smaller left-wing parties – was credited with a total of 44 per cent, according to the Sofres politing organisation, compared to 36.8 per cent for the Gaullist RPR and centre-right UDF coalition, plus the independent right. An estimate by BVA polling gave the left 40.7 per

Background to electionPage 2

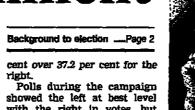
Polls during the campaign showed the left at best level with the right in votes, but still behind in projected seats.

"It is a blow and a warning," said Mr Jacques Toubon, justice minister and number two in the government, adding: We need to rediscover our electorate" in time for the sec-

Socialist prime minister, said the result was "a disavowal of government policy", while Mr Jean-Pierre Chevenement of the Citizens' Movement, which is allied to the Socialists, said President Chirac had "lost his

tary union. Mr Bruno Mégret of the far-

said it was a slap in the president's face. The NF was a major beneficiary of the protest vote, polling around an the RPR-UDF fared worse, estimated 15 per cent. Ecologi-



ond round. Mr Laurent Fabius, a former

Mr Chirac had called the early election in a bid to give the government a free hand for the next five years to steer France into European mone-

right National Front (NF) also



Uneasy rider: Alain Juppé's position as prime minister has been called into question after voters rebuffed the ruling coalition Realton

cal and fringe parties on right and left also benefited, scoring between 2-3 per cent each. However, the ability of the

NF to play kingmaker on June 1 may have been reduced by the low turnout of less than 70 per cent, which may hamper its candidates making it into the second round.

Among the big battalions, scoring only 31.5 per cent

according to both Sofres and BVA polls.

Despite the wide dispersal of votes the Socialists held up well with around 26.5-27 per cent of the vote, according to these two exit polls, while Socialists and their Green and their Communist allies pulled in 9.5 per cent of the vote.

To win on the first round a candidate needed to get 50 per cent or more of the vote. So with a record number of candi-

dates splitting the vote, yesterday's poll will have settled very few seats.

But projecting last night's result into possible seat gains on June 1, Sofres gave the smaller allies between 242-272 seats, with the Communists

gaining 21-30 seats. Set against this was an estimate of 255-287 seats for the RPR-UDF, with the NF per-

haps getting up to three seats. Last night's polls only apply to the 555 seats in mainland France. The right usually holds most of France's 22 overseas constituencies.

The campaign has been one of the shortest in recent French history, after President Chirac dissolved the National Assembly on April 21, 11 months earlier than legally required.

Brewery chairman to head SA police force

By Mark Ashurst In Cape Town

The South African government has appointed one of the country's most prominent and outspoken industrialists to revitalise the beleaguered police force in its battle against a national crime epidemic.

Aar Meyer Kahn, chairman of South African Breweries, the country's biggest industrial group, will take up his new job as chief executive of the South African police service on August 1. He is the first civilian to hold the rost.

The appointment was announced on Saturday by Mr Thabo Mbeki, deputy president, who said it would "direct and accelerate the conversion of the police service into an effective law enforcement and crime prevention agency". South Africa's level of organ ised crime is believed to be the

third-highest in the world after Colombia and Russia. Mr Kahn, 57, was a promient figure in last year's public brawl between big business and government over the future direction of economic

Guide to the Week ...

Russians strike Gazprom deal

By Chrystia Freeland and John Thomhill in Moscow

The Russian government will today sign an agreement with Gazprom, the country's largest company, to bolster its campaign to keep a rein on natural monopolies. The agreement with the

giant gas company and its chairman, Mr Rem Vyakhirev, means that Russia's most powerful corporate boss must observe tough performance cri-terla. Most significantly, Mr Vyakhirev's salary will be calculated as a percentage of the dividends the company pays to the government.

The deal is an important victory for Mr Boris Nemtsov, the reformist first deputy prime minister, who has led the state's attack against the previously sacrosanct monopo-

In an interview with the Financial Times at the weekend, Mr Nemtsov said the deal would cut the power of Gazprom managers, who have operated the company as a secretive fieldom.

The agreement replaces a 1993 deal which, according to Mr Nemtsov, had offered Gazprom managers options to buy Observer, Page 15 | fraction of its market price. Mr every quarter.

Nemtsov said the new pact was a sign the government was winning in its effort to create an open, competitive market economy.

"We were able to change the trust agreement, which is very important," Mr Nemtsov said. He said even Mr Victor Chernomyrdin, the prime minister and a former Gazprom chief, supported state efforts to bring Russia's largest company back under control.

"Even on such a delicate problem as Gazprom, there is no opposition, because Mr Chernomyrdin feels himself to be the head of the government and not the former head of Gazprom," he added.

Mr Vyakhirev will be ap-pointed manager of the state's 40 per cent stake in the com pany, but with conditions, including the link between his salary and dividends. Although Gazprom is Russia's biggest company, over the past two years it has paid the Russian Treasury just Rbs20bn (\$3.5m) in dividends.

Mr Vyakhirev must also ensure open access for other companies to Gazprom's gas pipeline and provide Mr Nemtsov - who as energy minister heads a government board that a controlling stake in the enor- oversees the company - with mously valuable company at a complete financial reports

Your partner in civil construction worldwide



No.1 in Slovenia since 1947

We always find a way to go further

Quality of business system conforming with ISO 9001



Slovenska 56, SI-1001 LJUBLJANA, SLOVENIA Phone: +386 6f 315 598, +386 61 319 273, Fax: +386 61 320 668

CONTENTS

International News

onat Bonds ... FT/S&P-A Witt Indices 19 Currencies & Money nation 32,33

LORDON - LEEDS - PARIS - FRANCIPHY - STOCKHOLM - MADRID - NEW YORK - LOS ANGELES - TOKYO - MONG KUNG

The amount of state aid, that European governments give to industry would be cut sharply if tough proposals drawn up by the European Commission come into force.

As part of a proposed crackdown on a recent rise in state aid levels, Mr Karel Van Miert, the competition commissioner, is targeting government subsidies to industry in the European Union's needy regions. He also wants to depoliticise the process by which the Commission vets state aid, making it harder for governments to influence the outcome of decisions.

At present governments are able to subsidise up to 75 per cent of investments in the EU's most under-privileged regions. In less poor but still needy regions, the figure is 30 per cent. Under proposals to be put to industry ministers over the coming months, the ceilings would be cut to 50 per cent and 20 per cent respectively.

The levels of aid that are allowed to be given are too high," says Mr Van Miert. "The closer you look at today's situation the more you come to the conclusion that state aid is really distorting competition."



distorting competition'

There is a suspicion that the regime is doing more to help companies which shop around for government subsidies. than to overcome real regional problems.

Officials are also drawing up proposals for a "multisectoral" framework under which all state aid over Ecu50m (\$57m) would be Brussels more control over the biggest, most distorting

In an effort to make its role as overseer of fair competition more objective, the Commission wants to set time limits for the handling of state aid cases, and to open up the vetting procedure to third parties, such as competitors.

"So long as the state aid procedure is just something between the Commission and the member states, the Commission does not have the clout to stand up to governments," says Mr Christian Ahlborn, a lawyer at Linklaters & Paines, a British law firm.

Mr Van Miert's plans come in response to criticism that excessive state aid to industry, particularly in the single market.

The proposals are likely to face opposition from governments that do no want their hands tied when it comes to assisting national champions. Mr Van Miert is expecting strongest resistance from Germany.

FINANCIAL TIMES
Published by The Financial Times (Europe)
GmbH. Nibelungenplatz 3, 60318 Frankfurt am Main. Germany. Telephone ++49
69 156 830, Fax ++49 69 396 4881. Represented in Frankfurt by J. Walter Brand,
Wilhelm J. Brüssel, Colin A. Kennard as
Geschäftsführer and in London by David witherm J. Brüssel, Colin A. Kennard as Genthalfsührer and in London by David C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. The shareholder of the Financial Times (Europe) GmbH is Pearson Overseas Holdings Lunted, 3 Burlington Gardens, London, W1X 1LE. Shareholder of this company is Pearson plc, registered at the same address CROMANN.

Responsible for Advertising content: Colin A. Kennard, Printer: Hürriyet International Verlagsgesellschaft mbH, Admiral-Rosen veriagigaseitschaft mort, Amatrial-Rosen-deli-Strasse 3a, 67263 Neu Isenburg ISSN 0174 7363. Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SEI 9HL.

PRANCE: Publishing Director: P. Maraviglia, 42 Rue La Boétie, 75008 PARIS. Telephone (01) 5376 8254. Fax (01) 5376 8253. Pxinter: S.A. Nord Eckair, 15/21 Rue de Caire. F-91/00 Rombaix Cedex 1. Editor. Richard Lambert, ISSN 1148-2753. Commission Paritaire No 67808D.

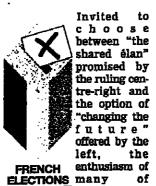
SWEDEN: Responsible Publisher: Hugh Carnegy 468 618 6088. Printer: AB Kvälkstidningen Expressen, PO Box 6007, S-550 06, Jönköping.

O The Financial Times Limited 1997. Editor, Richard Lumbert, c'o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.

French warm to fine weather rather than deciding between left and right

Choices fail to rouse voters

By David Buchan in Paris



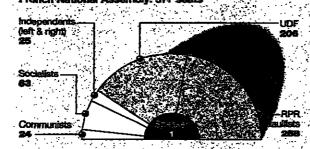
France's 39m flag yesterday. Early voter turnout in yesterday's first round of France's parliamentary election ran slightly the same point in the previous 1993 poll, in which a total of 31 per cent of eligible voters stayed at bome. But the turnout fell back slightly later, as the temptation of fine weather across much of France began to take its toll on the electorate.

Firm turnout figures were available from French Polynesia, where 64.6 per cent of Pacific islanders had turned out to vote in the first round held on May 17, a bit less than in 1993. Abstentions ran much higher in New Caledonia, where polls closed at breakfast Paris time. But by the local independence

To win on the first round a candidate must get 50 per cent or more of the votes, and barely anyone managed to do that yesterday in view of the record number of candidates - 6,351 or an average Turnout in the first round may determine the shape of next Sunday because, in the an absolute majority, the top stantially more than 12.5 per est abstention rates in par-



State of the parties before the elections



run-off, plus any candidate winning 12.5 per cent of the registered vote. Where the therefore, a third-ranking

two candidates go into the cent of votes actually cast to qualify for the run-off. This is particularly relevant to the hopes of National Front game on June 1. France has seen its high-

cent in 1993, not far off the record 34 per cent in 1988. If abstention is a form of protest, then leaving the voting paper blank is an even stronger expression of discontent with politicians by those who take the trouble to turn up at polling stations. Four years ago 3.7 per cent of people voted blank,

liamentary elections, called

either just after a referen-

dum as in 1962, or just after

presidential contests as in

1981 and 1988, because

people do not like turning

out twice in a short time.

But the abstention rate has

also risen in the normally

timed elections to 31 per

This year's plethora of nohoper candidates has provided another avenue of pro-

voters who may, or may not, return to mainstream candidates on June 1. As he voted yesterday in his political base of Corrèze, President Chirac exclaimed: "Are there as many as that?", when he saw the bulletins of six candidates for his old constitu-

At least, the president did not have his identity checked, as happened to Prime Minister Alam Juppé, when he went to vote in Bordeaux, of which he has been mayor for the past two "Normally, it is enough to

be well known," said the unabashed premier before a battery of photographers. No, everyone must show an identity card," retorted the poll scrutineer. So Mr Juppé had to fumble in his wallet

Paris ponders mystery of missing coins

By Andrew Jack in Paris

Maybe the French are less believe, and are trying to fight a rearguard action. Baffled officials at the

Monnaie de Paris, the body responsible for minting the country's coins, have been forced to launch an inquiry into why large quantities of coins are disappearing each: year from circulation. Economic growth - the

usual factor pushing the mint towards greater production – has been sluggish in France over the past two years. But the demand for new coins has jumped sharply, especially for the yellow, low-denomination five, 10 and 20 centime

These three coins make up two-thirds of the more than 8hn coins in circulation, and the mint has been forced to tion target from 400m this year to 600m next year to cope with the additional

The result is to put pressure on staff at a time when they are already trying to build up stockpiles of francs so they can begin diverting their minting machines to the fabrication of euro coins

It is likely to be several months before the inquiry produces any proof to back up possible explanations. which have been as diverse as growing numbers of tourists leaving the country with them into jewellery.

Perhaps the French are enthusiastic about Europe's building up their own planned single currency, the reserves of francs and ceneuro, than their politicians times in an effort to conwould like everyone to tinue defiantly using the national currency after the euro is formally introduced.

Or maybe they hope to make a profit by stockpiling the coins, since some speculate that the sale price of the five centime coin to the mint's client - the French treasury - (a closely guarded secret) is greater than its face value.

Are tourists taking them? Are women turning them into jewellery?

There again, as the cost of living rises, individuals may simply not consider it worthwhile to lug pocketfuls of the coins around with them and abandon their centimes in forgotten piles at home. At least Mr Alain Juppé

the prime minister, who is fighting his re-election campaign competing against a gloomy backdrop of high unemployment, can draw a little satisfaction from the

To cope with the extra pro-duction for the missing coins, the Monnaie is hiring several extra staff in its mint, fortuitously situated in Pessac, near Bordeaux, the city in which Mr Juppe is both mayor and a parliamenchange still in their pockets, tary candidate for the

Noordwijk clears the path to summit agreement

Lionel Barber spells out importance of Friday's EU meeting at a Dutch resort not be reduced because the small countries would go

urope's leaders are on agreeing a new treaty to make the European Union fit for enlargement eastwards. Thanks to Friday's mini-

summit in the Dutch coastal resort of Noordwijk, the outlines of a political agreement in Amsterdam in three weeks' time are becoming

The importance of Noordexamined by the Commis- | wijk was two-fold: it offered size up Mr Tony Blair, the new British prime minister; and it allowed everyone an opportunity to state their bottom lines in the intergovernmental conference (IGC) on revising the Maastricht

> On the first count, the summit was a success. Mr Blair made a lively debut in Europe. His breezy style was refreshing. He struck something of a chord when he called for the EU to be less elitist and more relevant to ordinary citizens, although all leaders talk these days about building a "people's

On the second count, the in immigration, asylum, and course to meet next Dutch presidency handling month's deadline for the IGC negotiations claimed to have made solid progress. "The atmosphere was excellent," said Mr Wim Kok, Dutch prime minister. "The message was that everyone

wants Amsterdam to be a

The message was that everyone wants Amsterdam to be a success'

Mr Kok will be touring the 14 other EU capitals in the run-up to the June 16-17 summit in order to nail down the deal. Several key points are emerging in the final phase of the negotia-French. tions.

visa policies. The Dutch presidency's

plan to incorporate the 1985 Schengen agreement provid-ing for the lifting of border controls into the main EU treaties is running into This is not just with the

First, any increase in EUwide areas of responsibility of the present practice of tion, but only 55 per cent of interested in a political will be limited. This applies to the question of whether the European Commission will extend its sole trade negotiating authority to intellectual property and services; but also to the plan to create a zone of "freedom, security, and justice' through more co-operation

British and Irish, who are insisting on watertight guarantees on maintaining control of their national frontiers, but also with the Danish and, to an extent, the

The likely compromise is a continuation in most areas cent of the EU's total popula- show that Europe is still in the IGC, preferring to let intergovernmental co-operation, tempered by a role for the European Commission and the Court of Justice to improve efficiency and accountability. There could be a switchover to EU-wide earlier plan. powers in, say, five years. European Commission will increase from 10 to 25, while

smaller countries are not up less sharply. Thus Portuwilling to renounce their right to have their own indi-Chancellor Kohl floated a

compromise: a ceiling of up to 20 commissioners, coupled with a review clause once the EU expands to 20 countries, and stronger powers for the Commission president to vet nominees.

two commissioners in the form of more voting power in the decision-making Council of Ministers. This is essential for politi- proposal for a phased merger cal legitimacy since Britain, France, Germany, Italy and

the votes. France, with support from Germany, unveiled proposals for reform which were a good deal more generous than the Dutch presidency's

see their voting weights although they are willing to

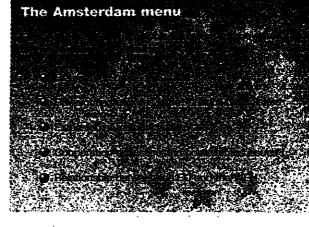
gal would move up from five to nine, while Denmark would go from three to five. Mr Blair complained about the time spent on arcane

institutional arguments, but they touch on the balance of power between small and large countries, and on national sovereignty. Small countries view the Third, bigger countries European Commission as a will receive compensation guarantor of their voice in a

to more than 20 members in the next five to 10 years. The fourth "bottom line" issue is the Franco-German of the EU and the Western European Union. The Ger-Spain have nearly 80 per mans insisted on the idea to

> union to balance the planned monetary union, and the French went along. But Britain and the four

"neutrals" will block anything which smacks of turning the EU into a collective security organisation, allow the incorporation of rights. He was furious about ahead.



peacekeeping tasks into the Renault's closure of its car new treaty.

Finally, President Jacques Santer of the European Commission has his own, small wish-list. To date, Mr Santer has been virtually invisible smaller countries such as the Benelux push proposals; but on Friday night, Mr Santer let out a heartfelt demand for a more "Social Europe" to strengthen the proposed Employment Chapter in the new treaty.

action to protect workers'

plant in Vilvoorde, near Brussels. His aides were also irritated by aggressive British briefings suggesting that Mr Blair had lectured the president on the need for a more competitive Europe. If Mr Santer decides to

fight his corner, he can count on support from France, the Benelux, and Scandinavia, but not necessarily Germany and certainly not Britain, where Mr Blair has his eye on his bust-Mr Santer wants more ness constituency. There could be a lively formight

Romania 'vote the richest member states, is distorting competition in the single market. on reform plan large black economy - the

The Romanian government has called a parliamentary vote for this week to reaffirm political support for its new price liberalisation havpainful programme of economic reform.

expected - it can begin immediate implementation by decree of a whole range of measures without waiting for them to be passed into

man, Mr Eugen Serbanescu, government's commitment said it amounted to a vote of to its accords with the IMF confidence in the six-month- and World Bank, from whom old reformist government. it has received pledges of The opposition PDSR, loser more than \$1bn in loans over in last November's election, the past two months. He had said earlier it would seek such a vote.

legislative process is dictated what may be called a vote of by the number of new laws confidence." the government wishes to pass. These total around 80, also strengthen the governranging from bank regulation and privatisation to the list of state factories and investment. Normal parlia- sation or liquidation. This mentary procedures would has been beset by the threat

take years.

average living standards of ordinary Romanians have dropped by some 30 per cent over the past year, with the ing an especially severe effect. The opposition and opposition-linked trades unions have accused the government of betraying promises to its voters and have called a month of labour protests.

Mr Serbanescu laid special The government spokes- stress at the weekend on the said: "This is the first time in post-Communist Romania The need to accelerate the that a cabinet has asked for

The vote this week should ment in pushing through its rules governing foreign farms scheduled for privatiof unemployment and social According to official fig- protest as well as by governures - which ignore the ment splits.

Klaus replaces two senior ministers with more changes expected this week

Czech premier starts cabinet reshuffle vacuum, which has left the arately last night to agree a By Vincent Boland in Prague Jan Ruml, interior minister.

restoring his government's battered credibility by replacing two senior ministers. Further cabinet changes are expected early this week. One year after a general

election that cost him his parliamentary majority and put the brakes on the country's reform drive, Mr Klaus bowed to the weight of public opinion and removed Mr Ivan Kočárník, the unpopu-

The start of the reshuffle Mr Václav Klaus, the Czech coincided with a call by prime minister, has taken President Václav Havel for the first steps towards the government to undertake a complete rethink of its policies to get the country back on the path of economic and democratic reform. Mr Havel, who must approve new ministers, said yesterday he would not somport "cosmetic" changes of personnel unless they were accompanied by a reaffirmation of government policies. Many of the current government's problems are the

public disillusioned and made investors nervous. The new finance minister is Mr Jiří Weigl, an econo-

mist who has been the prime minister's chief adviser over Necas, chairman of parliament's defence committee, is to become interior minister. A third cabinet member. mir Dlouhý, also announced

industry minister. Mr Vladihis resignation, but his successor has not yet been named. The three parties in

complete list of changes. The popularity of Mr

Klaus and his government has fallen dramatically this year because of an economic slowdown and political the past few years. Mr Petr squabbling. Big cuts in spending and wage curbs in the public sector have been imposed to try to balance the

Mr Miloš Zeman, leader of the opposition Social Democrats, said at the weekend that the country should bring forward the next genthe centre-right coalition eral election to autumn 1998 lar finance minister, and Mr result of a perceived policy were continuing to meet sep- from spring 2000. Though

minister's domestic critics, the reshuffle is also being watched by investors. A perception of instability

has combined with the economic problems and a high current account deficit to expose the koruna to speculation on foreign exchange markets. The central bank was forced to raise interest rates and to intervene several times in the past 10 days. to keep the koruna within its trading range against a hard currency basket

Editorial Comment, Page 15

Presidential vote row hits Slovak poll

By Vincent Boland

democratic maturity at the weekend when referendums on Nato membership and direct presidential election and is a bitter enemy of Mr tions collapsed amid accusations of Kovac, used this legal loophole to rigged ballot papers and a revolt by have it deleted. voters against Mr Vladimir Mečiar, the prime minister.

Many people refused to vote because ballot papers contained ballot papers and walked out in proonly three questions relating to Nato. A fourth question, on how to able. elect a successor to President Michal Kovać when his term expires referendums, refused to cast his referendum as a test of his willing. likely to be left out of the first wave next March, was omitted.

The ballot papers had been referendum I ordered." changed after the country's highest Slovakia failed a test of its court gave an ambiguous ruling on to be declared invalid last night. Hans van den Broek, the EU exter-

> There were chaotic scenes at poll- could have eased the country's ing stations on Friday and Saturday as voters demanded four-question

test when told they were not avail-

The entire exercise was expected the validity of that question. Mr because fewer than 10 per cent of Mečiar, who opposes a direct elec- people voted instead of the 50 per cent required.

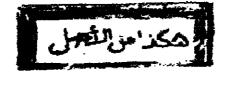
> support for a direct election, which paralysing internal political divis

> Diplomats said the breakdown of the democratic process would further isolate Mr Mečiar from the

An indication of western reaction will come on Thursday, when Mr nal affairs commissioner, visits Bratislava.

The presidential vote was meant Opinion polls had shown strong to avoid a constitutional vacuum next March. Parliament currently elects a president but neither side now has the required 60 per cent majority to do so. If no successor can be agreed presidential powers

pass to Mr Mečiar The Nato questions were regarded Mr Kováč, who supported both west, which saw the presidential as irrelevant because Slovakia is own vote, declaring: "This is not the ness to accommodate his opponents. of the alliance's expansion:



• نيا •

- - 1 74A.5

. . 7.79

- 15

200

The state of the s 1.72

. . .

Iran power balance will test Khatami

ith the sparkling put up with the continuing eyes and easy self-assurance of a master politician, Iran's soon-to-depart President Hashemi Rafsanjani gazed down on the assembled press corps like a benevolent uncle confronted by impertinent in a country where there is children_

included several obstreperous foreigners, was clearly of checks and balances going to do its best to catch him out, the more so since the candidate he had publicly supported to take over from him had been soundly thrashed in the presidential election on Priday.

What, he was asked, "will the president-elect, Mr Mohammad Khatami, takes over?" The president replied with the elliptical grace for which he is famous: "I will assist the cabinet of Mr Khatami. The Council of Expediency, which Mr Rafsanjani will be heading "should act as adviser to the leadership in reference to the general policies of the country".

If ever there was a veiled dent that he would have to ity, but which are well

presence of Mr Rafsanjani, this was it.

Officially Iran's president has the number two slot to the spiritual leader, Ayatollah Khamenei, in the constitutional hierarchy of power. no prime minister, the presi-That audience, which dent is the head of the government, subject to a maze which he can manage if he is as skilful as Mr Rafsanjani. but which will reduce him to impotence if he is not shrewd enough.

It is well known that when he steps down in August, President Rafsanjani will be your position be in the deci- the head of an enlarged sion-making process when Council of Expediency, a body set up by Iran's revolutionary guide and mentor Ayatollah Ruhollah Khomeini in the early 1980s to mediate when there was disagreement between the majlis, or parliament, and the keeper of Iran's constitutional virtues, the Council of Guardians.

These two councils are key levers of power in a system which has some observers baffled by its oriental opac-



Hashemi Rafsanjani: gave a veiled warning to Iran's new president that he would have to put up with the outgoing president's continuing pres

understood by Mr Khatami. He has a reputation as a "man of principle" who resigned his ministerial post in 1992 in protest at the lack of freedom for Iranian writers. He was widely seen by voters as a man who would try to lift some of the more sonal social behaviour and

tures of Iran's clerical

regime. Yet Mr Khatami's Islamic credentials are impeccable. Born in the southern province of Yazd, he graduated from the religious science centre in Qom, Iran's spiritual centre, in 1961. He was pervasive controls on per- actively involved in resistance to the Shah and was his own orbit. At the begin censorship which are fea- closely connected with the ning, this will mean he will

Unusual for Iran's political leaders, Mr Khatami is a gifted linguist, speaking English and German as well as Arabic. Part of his talent for languages comes from

leader, Ayatollah Khomeini.

his years in Germany, where he chaired the Islamic Centre in Hamburg in the late The big test for him will

be whether he can build a can show he knows how to constructive relationship with the other centres of power and in particular with is will switch to where the Ayatollah Khamenei and Mr Rafsaniani or be subsumed into their orbit. In the latter case he will be blamed by an over-expectant electorate for all the economic and social ills which even the heavily controlled daily press acknowledge he is inheriting from his predecessor.

"The new president," said one seasoned Iranian observer, "will have to demonstrate he knows how to switch on the magnate of power. If he can demonstrate he not only has authority but understands how to use it, he will draw power into

son of Iran's revolutionary have to be very easy-going and soft with these various centres of power in order to win their trust."

. Mr Khatami will also have to win over the mailis, with its conservative outlook of wealthy basaari traders and clerics, and of which Mr Khatami's main rival, Mr Ali Akbar Nateq Nouri, remains the Speaker.

However, if Mr Khatami exercise authority, "the loyalty of members of the majpower lies," said an Iranian businessman.

According to the daily Tehran Times, Mr Khatami's "major challenges will be economic ones including the curbing of inflation and controlling spiralling prices". That these problems are

now openly acknowledged is not only a reflection on eight years of President Rafsanjani, it is also a way of telling Mr Khatami what an enthusiastic electorate now expects him to deliver. But the hidden crevices on Iran's political glacier are for him

Robin Allen

Taliban success rouses Asian central banks fears in central Asia

By Farhan Bokhari in Islamabad and agencies

Afghanistan's rigid Islamic regime and the former borders of the central Asian Soviet central Asian states backed by Russia last night faced an uncomfortable stand-off following the defeat of a leading Afghan opposition warlord.

General Abdul Rashid Dostum, head of the once-powerful northern alliance, considered to be the last bulwark against the Taliban islamic regime, fled to neighbouring Uzbekistan at the weekend en route to Turkey, after the area under his control was seized by advancing troops. General Dostum's fall was triggered by the defection of one of his top aides, General Abdul Malik, who joined

advancing Taliban units.

With Gen Dostum's defeat.

almost 95 per cent of Afghan

territory has fallen under

Taliban control.

threat. Mr Yevgeny Primakov, the Russian foreign minister, warned the Taliban yesterday not to violate the states. Interfax news agency quoted him as saying in Moscow that any border infringement "will provoke very tough and effective

Remnants of the former Soviet troops who once occupied Afghanistan for almost a decade still remain deployed on the Afghan border. Russia is estimated to have some 20,000 troops stationed in Tajikistan, charged with the duty of guarding the border with Afghanistan.

In Dushanbe, capital of neighbouring Tajikistan, President Imomali Rakhmanov yesterday held further discussions with top advisers to review security arrangements. Tajikistan fears that the presence of the Taliban close to its border There were immediate may reignite domestic insuradvance to be a security opposition finally agreed on with Tehran.

a ceasefire after a four-year civil war which left thou-sands dead and displaced hundreds of families.

Both Russia and the central Asian states are particularly perturbed over the Taliban's puritan brand of Islam, and believe the Islamic group is incapable of giving epresentation to Afghanistan's smaller ethnic minorities. Since the Taliban last year captured Kabul, the Afghan capital, women in many occupations have been ordered to stay at home and wear veils in public.

The Taliban advance has also split other countries in the surrounding region. Iran suspects the Taliban have been armed and trained by Pakistan to strengthen Islamabad's influence in the war-torn country. Pakistan has denied the charge.

Pakistan , yesterday became the first country formally to recognise the Taliand the central Asian states. manov's secular government mats said the move would which consider the Taliban and Tajikistan's Islamic add strains in its relations

may bolster links

John Ridding in Hong Kong

Asian central banks may develop more formal links following this month's joint effort to prop up the Thai baht, according to Mr Joseph Yam, head of the Hong Kong Monetary Authority.

"What happened in the past couple of weeks may well push us more quickly in that direction," he said in an interview, "though whether or not we actually need to create a new institution is something we have to dis-

He declined to comment on the extent of the intervention, though he said it need closer co-operation and was unprecedented and hoped it had given the markets pause for thought.

Ten days ago several Asian central banks intervened in local markets to came under attack in the regular discussions.
wake of the country's eco"That matrix of nomic slowdown.

Some central bankers, fairly quickly. We have also for real time gross settle-

Reserve Bank of Australia. have argued that Pacific central banks need to create their own umbrella institution, like the Basle-based Bank for International Settlements, which could help stabilise markets, harmonise banking supervision and improve payments systems

in the Asian time zone. Mr Yam said this might not be necessary. "Nowadays with advanced telecommunications and information technology you can have a 'virtual institution' rather than a physical one located somewhere," he said. "But the philosophy is clear. You

The HKMA has signed up repurchase accords with 10 other Asian central banks as part of a collective effort to bolster their currencies after buy baht on behalf of the the 1995 Mexican crisis and Bank of Thailand after it the banks involved now hold

former governor of the ity of multilateralising them," Mr Yam said. They could then be activated quickly, without separate calls to each of the central banks involved.

Separately, Mr Yam expressed concern about the vast oversubscription to mainland companies' Hong Kong share issues. The current issue, by Beijing Enterprises, is estimated to be more than 1,000 times oversubscribed, clogging the banking system and pushing up money market rates, with about HK\$200bn (US\$26bn)

in subscriptions. Hong Kong's handover to China on July 1 was likely to increase the HKMA's role in providing expertise to the People's Bank of China, he added. It recently held its first seminar on banking supervision for about 25 provincial directors of the Chinese central bank. Mainland officials are seconded to Hong Kong for experience.

agreements is filling up ing China set up a system including Mr Bernie Fraser, been exploring the possibil-ment of banking payments.

INTERNATIONAL NEWS DIGEST

Dow Jones libel sum rejected

A US district court judge in Texas has thrown out the bulk of a record \$222.7m libel award against Dow Jones, the media and financial information group, US District Court Judge Ewing Werlein threw out \$200m in punitive damages that had been awarded in a libel suit against the company's Wall Street Journal in connection with a story about a now-defunct Houston securities firm.

A Dow Jones spokesman said the judge had eliminated \$200m in punitive damages against the company but kept the remainder, which included compensatory damages against Dow Jones and \$20,000 in punitive damages against a reporter. The company planned to ask the judge for either a new trial or to cut the remaining damage award. If necessary, the company would appeal, he said.

The libel award, the biggest ever in a US libel case. stemmed from a 1993 Wall Street Journal article about Reuter, New York

HK-Taiwan shipping accord

Hong Kong and Taiwan have reached an agreement which will allow shipping links to continue after the British colony returns to Chinese rule on July 1, according to officials from the two sides.

In talks in Taipei at the weekend. Hong Kong accepted a Taiwanese proposal that vessels from both sides carry no flags on their main masts after the Hong Kong handover so as to avoid the sensitive question of

The deal was greeted with relief by shipping companies and appears to resolve one of the main trading issues still outstanding ahead of Hong Kong's handover. Rapidly rising trade between Taiwan and China now exceeds US\$20bn annually. Because there are no direct trading links across the Taiwan strait, it passes largely through Hong Kong. Although the deal marked a breakthrough after several rounds of failed talks, Mr George Chao, chairman of the Hong Kong Shipowners' Association and head of the territory's negotiating body, described the

deal as temporary. He said that more detailed negotiations on the matter would follow. Under the terms of the accord, Hong Kong ships will carry on their stern the territory's John Ridding, Hong Kong post-handover flag.

GM and UAW agree deal

General Motors, the US car manufacturer, and the United Auto Workers union have reached a tentative accord to settle a seven-week strike at the company's Oklahoma City car plant, a company spokesman said yesterday. A GM spokesman said the agreement was reached late on Saturday night.

About 3,500 UAW members began the strike on April 4, when the two sides could not reach agreement on a new local contract. GM said earlier this month the Oklahoma City strike and a second, still unresolved, walkout at its Pontiac East truck plant in Pontiac. Michigan, had cost it \$225m in lost profits as of May 15.

The strike choked off supplies of GM's new Chevrolet Malibu, a crucial part of its bid to recapture market share in the mid-size car sector. GM cut Malibu advertising as a result of the walkout

Indonesian fire kills 130

Arsonists set fire to a shopping mall, killing at least 130 looters who had charged inside when an election campaign riot erupted at Banjarmasin, 900 km northeast of Jakarta on the island of Borneo, Indonesian police said

Many badly charred bodies were found clinging to what remained of pillaged clothes, watches and other goods. Witnesses said the mall closed and staff went home the height of the riot several hours later. The mall was soon engulfed in dense black smoke and huge flames.

Some looters escaped, but many stayed inside, apparently afraid they would be arrested by police and troops outside, witnesses said. Rescuers could not start retrieving bodies until yesterday when the heat AP, Banjarmasin, Indonesi

Poles vote on constitution

Poles voted vesterday in a referendum to approve a new draft constitution enshrining the country's post-1989

economic and democratic reforms The draft has been bitterly attacked by the nationalist opposition, led by the Solidarity trade union, which says it fails adequately to reflect Poland's Roman Catholic traditions and make a clean break with the communist

Solidarity's Warsaw branch has distributed leaflets warning that the new constitution would "condemn Poles to poverty, deprive them of their sovereignty while

promoting atheism and liberalism". The new constitution as drafted has also failed to ban

abortion outright, as the Catholic church had demanded. Accordingly bishops have signalled the document should Christopher Bobinski, Warsam

Mexico track changes hands

One of Mexico's most staid institutions has been handed over to a company more used to strobe lighting and the latest hits than to top bats and Sunday best. The 25-year concession to the Hipódromo de las Américas, an exclusive racetrack in Mexico City, has been granted to ECE, a Mexican company which runs franchises for the Hard Rock Cafe and Planet Hollywood.

The company's US partner is Maxxam, responsible for the Sam Houston Race Park in Texas. The interior ministry waived the concession of the previous holders the aristocratic Fernandez family, because of non-payment of taxes. ECE belongs to the family of Mr Claudio X González, chief executive of Kimberly-Clark de México, one of the most renowned figures in Méxican

Yen traders expect a nervous summer

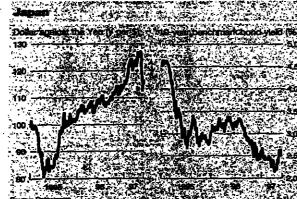
s currency traders return to their desks this week, some may feel that the yen world is turning on its head.

Less than a month ago, a slide in the ven was triggering speculation about how much further the Japanese currency could fall, amid fears that rising exports on 100 the back of a weak yen would spark US-Japan trade friction. But after a week of cur-

rency turbulence, traders are now mulling the opposite: whether the yen is set to surge sharply against the dollar instead. For in recent weeks, the currency has seen arguably

the most dramatic shortterm rises for over a decade. After falling against the dollar to a low of almost Y127 earlier this month – a 50 per cent drop in two years - the level of Y112 last week, before closing on Friday just below Y116.

partly reflected market assumed. panic. During the last two years, many traders have possibility of an immediate pattern has fed on itself:



practised so-called "carty it to buy dollars and other high-yielding currencies.

Japanese interest rates data not available until remaining at their current historically low levels of 0.5 speculation erupted that Japanese rates might start to rise this summer, instead of The scale of this move has next year as previously

rise in rates is slim. It seems trades" - borrowing yen at unlikely the Bank of Japan low interest rates and using will act until it has hard evidence about how the economy has reacted to the con-This strategy depended on sumption tax rise in April -

would keep rising."

nese government certainly appears to be hoping so.

As one government official yen surged back to touch the per cent. But in early May said: "The Bank of Japan is not going to take a potentially risky step like that without good information." But the possibility of a move has left traders scram-Most traders still think the bling to dump dollars. This

three weeks, investors have been keen to sell it before they incurred further losses. Japanese investors, in parcaught short. As Mr Pelham Smithers of now over.

whenever the US currency

ING Barings in Tokyo said: The hedging strategies of Japanese exporters are not as aggressive as they used to

But the key question now is whether the dollar's small rebound at the end of last week suggests that this panic selling is over - meanslide is at an end. The Japa-

The yen's fall below Y125 earlier this month left many officials fearing new US trade complaints. And in the aftermath of the meeting of the Group of Seven main industrial nations at the end of April, efforts have been under way verbally to boost the currency. But some officials are now

rallied briefly in the last too far in the opposite direction it could hurt Japan's exporters and damp the economic recovery. The finance ministry, for example, is officially stating that the "period of yen weakness" is Mr Eisuke Sakakibara, the finance ministry official who

uneasy that if the yen surges

oversees foreign exchange policy, said: "What has hap-"Most thought the dollar is that the irrational pessimism which pervaded the markets before has faded -G7 meeting it took time for ing that the US currency's the markets to absorb the the Japanese picture. delicate little statements."

> London, for example, thinks ing up again, as the widening trade surplus starts to irritate the US.

Although Japan's current account surplus as a propor-

uct fell to 1.4 per cent in fiscal 1996, from 3.1 per cent in 1993, it has been rising sharply in recent months. "The real thing to follow with respect to the yen, as it always is on a longer term basis, is developments in Japan's current account bal-

Other traders disagree: many economists in Tokyo pened in the last few weeks now expect the currency to remain in the Y115-Y120 range for a while, since Japanese savers still appear traders have realised that intent on placing part of the Japanese economy is not their money overseas, and about to collapse. After the the US growth outlook

But the acid test may come if new signals appear But whether this new stance will work is interest rates - and when hard data finally emerge on O'Neill, chief currency strat- what has happened to egist at Goldman Sachs in Japan's economy after the tax increases. This should the yen could soon be head- start to trickle out in the coming weeks. World Currencies, Tokyo Markets, Page 20

Gillian Tett

Emirates' new Business Class. For executives who like being stretched.

Imagine stretching your toes to take advantage of up to 52" pitch on our Airbus aircraft. Or relaxing on our Boeing 777s in one of the most luxurious seats in the sky. Now imagine reaching out for the personal video, phone, fax or the finest champagne and cuisine. It's tough at the top.



OVER 160 INTERNATIONAL AWARDS. 41 INTERNATIONAL DESTINATIONS, FOR DETAILS CALL EMIRATES OR YOUR LOCAL TRAVEL AGENT. http://www.ekgroup.com/

Affirmation of one-party state seen as setback to efforts to coax reforms from Castro Army OUSTS

Cuba defiant over hardline policies Sierra Leone

By Pascal Fletcher in Havana

Cuba's ruling Communist party, turning a deaf ear to international calls for political reform, has published a policy document for national discussion which asserts that one-party socialism is the island's only effective defence against US hostility.

The eight-page document, prepared for a party congress which is due to be held in October, describes the US as Cuba's "secular enemy" and says Washington maintains "the unvarying strategic objective" to destroy the Cuban

"In Cuba there will be no restoration of capitalism because the revolution will never be defeated. The nation will continue to live and Saturday in Granma, the party

"Only the unity of revolutionaries can lead to the unity of the people. This requires a single party," it added.

This declaration of unswerving allegiance to one-party socialism will be a disappointment to those foreign governments which oppose the tightened US economic embargo against Cuba but have at the same time been trying to coax Cuban President Fidel Castro into making democratic reforms.

Canada, which is Cuba's bigges trade and investment partner, is the main advocate of this "constructive engagement" approach, while the European Union has taken a slightly tougher stance by tying any political and economic reforms. future economic co-operation with the island to the need for week Washington would not



A senior US official said last

unless the island moved towards otic" choice. democracy and improved respect

efforts to tighten economic sanctions and foment internal subversion, rejected the option of Mr Castro was hailed as the multi-party politics as a threat to national unity.

Granma said the policy document would be debated before the October 8-10 Fifth Party Congress in party cells and other official mass organisations, such as neighbourhood block committees.

"It will be a new plebiscite by our heroic people in favour of the nation, the revolution and socialism," the newspaper said.

Despite the reference to debate, the document offered no alternative to one party socialism, which government

It presented a lengthy historical justification of Cuba's one-party The Cuban party document, citing what it said were renewed US the island's 19th century independence struggie against Spain led by Cuban nationalist hero José Marti. to create a democracy "founder and guide" of the Cuban Communist party.

The party's ideology was described as derived from the teachings of...Marx. Engels and Lenin, the doctrine of Marti and the creative ideas and example of Fidel (Castro)," it added.

The policy document made only passing reference to economic reform, acknowledging that today's socialist Cuba needed to assimilate "certain capitalist elements" and "insert itself into the world econ-

Junior officers in the Sierra Leonean capital, Freetown, yesterday announced the LEONE # overthrow of the civilian administration of President Ahmed Tejan Kabbah, ending the country's short-lived experiment with democracy. Despite extensive mineral. resources and fertile land, mismanagement, corruption and six years of civil war have left Sierra Leone's 4m people among the most impoverished on the conti-

FINANCIAL TIMES MONDAY MAY 26 1997

Coup marks end of President

Kabbah's short-lived attempt

By Antony Goldman

heavy gunfire yesterday

morning, coup leaders appeared in control of most

key installations. "The

democracy we have had in

spokesman declared over

state radio, referring to

multi-party elections 15

months ago designed to end

a generation of one-party

rule, military government

The Commonwealth, to

which Sierra Leone belongs,

issued a statement in Lon-

attempted coup as "unac-

larly retrograde step for

Sierra Leone after the

advances made by that coun-

try in the last year in build-

ing democracy, peace and reconciliation," said the

Commonwealth secretary-

general, Mr Emeka Any-

In recent weeks, his gov-

town by helicopter.

"This would be a particu-

condemning the

and political instability.

After several hours of increasingly powerless in tion of fighting involving factions in various parts of

the country. The coup leaders have warned several hundred Nigerian troops stationed in Sierra Leone as part of a mutual defence pact to stay out of "a purely internal appealed for the return from ligeria of Mr Foday Sankob, leader of the rebel Revolutionary United Front

Officially, Mr Sankoh has been a guest of the Ministry of Foreign Affairs since his arrival in Lagos in March. Last night he said he was ready to return home immediately." He pledged himself to a negotiated solution to Sierra Leone's problems, but cautioned that he would have "to wait and see" what lay behind the

Western powers had ment about the latest events applied intense pressure on But General Sani Abacha, the Sierra Leone military to leave office last year. But at

who seized power in 1993, has repeatedly called for an least twice since September, end to regional conflict. Last conspirators have tried to week he released proposals topple Mr Kabbah, who is for permanent maintenance reported to have fled Freeof the Nigerian-dominated multi-national peace-keeping ernment, which signed a force at present operating in Liberia, to deal with crises

Australian carmakers urge decision on tariffs

line at Mitsubishi's Thorley plant in Adelaide, is almost deafening. But it is nothing compared with the clamour from Australia's carmakers and component suppliers as they attempt to influence the country's future vehicle tar-

At issue is what degree of protection Australia should offer its domestic car industry after 2000.

plan" tariffs have fallen from around 57.5 per cent a decade ago, to 22.5 per cent at present, and are set to reduce further to 15 per cent

But this progressive tariff reduction was put in place by a former Labor govern- and is due to deliver its final ment. While the car tariff report to the Treasury today. scaleback proceeded at a slower rate than tariff reduction generally, it formed part of a broader effort to wean sus is that Australia's auto-Australian industry away motive manufacturing indusfrom trade barriers, and encourage a "free trade" push within the Asia-Pacific

The current task confronting the new conservative lia, compared with about 15 federal government, is what per cent in the mid-1980s. to do about the post-2000 regime - a matter which will turers has contracted to four become increasingly urgent - Ford, Holden, Mitsubishi

next investment cycle. issue. There is a separate, and contentious "export facilitation scheme" (EFS) which allows vehicle export-

ers to earn tradeable credits

to reduce duty on imported

vehicles or components, but

does not meet World Trade Organisation criteria. And the government may also need to consider the "duty-free entitlement", which allows assemblers to Under an existing "car carmakers to import vehicles and components duty-free up

to 15 per cent of their value

Already, the Productivity Commission, one of the "driest" government agencies on economic matters, has been called in to review the issue, The onus is now on the gov ernment to respond.

The one point of consentry has changed radically over the past decade.

Imports, for example, now cent of cars sold in Austra-The number of car manufacand Toyota - as has the urged that this, too, be tralia's Labour productivity, meanwhile, has improved from around 11 vehicles per employee in 1984 to about 16

to build up a vehicle export industry - with overseas sales reaching A\$1.8bn (US\$1.39bn) in 1995, compared with under A\$800m in

In a draft report, published just before Christmas, the

could be subject to WTO challenge. The commission justified its conclusions on efficiency

grounds. The tariff, it calculated, would cost consumers A\$13bn between 1993 and 2000. In 1995 alone, it estimated an average A\$3,700 was added to the price of each vehicle bought though that figure, and modelling behind it is fiercely contested by the industry.

The task confronting the new conservative federal government, is what to do about the post-2000 regime - a matter which will become increasingly urgent

Productivity Commission recommended more of the same. It suggested that tariffs be cut by another 2.5 percentage points a year between 2001 and 2004, until they reached 5 per cent, in line with manufacturing industry generally. At this point, the duty-free allow-

ance should be reviewed. The EFS, meanwhile, was acknowledged to be "valuable", but the commission should be deferred until Aus-

"For an industry which needs to adopt an increasing emphasis on exports, a high tariff on imports is a contradiction," the commission's

Mr Ian Webber, chairing and an ex-Mitsubishi executive, took a softer line. In a dissenting suggested that further reductions in assistance after 2000

ended in 2000 because it reform" agenda had progressed - including tax reform - and the country had "elicited binding commitments to reduced protection of the industry by our trading partners". From a practical stand-

point, that could mean a 'nause" on tariff levels until 2005, with another inquiry being held "early in the next century" he suggested.

At the other end of the spectrum are the carmakers, local component suppliers, and state-based politicians, who fear the economic impact of further downsizing in the local manufacturing Their principal concern is

that imports will continue to sweep into the market, while much higher levels of protection in many neighbouring Asian countries will limit export potential. "If the Productivity Com-

mission's final report stays as per the draft report and is implemented, we don't think the car industry will be here in the year 2010," said Mr Mike Quinn, head of Mitsubishi Motors Australia.

In addition, if domestic car production winds down, the component industry could also find itself in an unsus tainable position.

claims that both export opportunities and inward investment could be lost if tariff reduction continues. Mr Bernie Doyle, general manager at Air International, the largest Australian-owned components supplier, says that his company has been building up sales in Asian markets, but needs a solid domestic base to sustain a sometimes lengthy

The betting on the outcome is on some form of

Mr John Howard, the prime minister, has said he emphatically" wants Australia to have a car manufacturing industry, although he has also added that the government's decision will "take into account the interests of all the Australian people".

The one thing the government cannot do, is stall. "Hundreds of millions of dollars are at stake," says Mr John Olsen, state premier in South Australia, one of the two states most affected by "Predictability and cer-

tainty in policy will be required for those investment decisions to be made." Nikki Tait peace agreement with rebels last November, had appeared

Contenders vie Nigerian arrests add to air

About 50 employees of state-owned Nigerian Airways have been arrested in connection with the theft last month of high-tech computer navigational aids from one of the ailing airline's air-

craft, The arrests come a week after Nigerian-registered aircraft were banned from British airspace over alleged poor safety standards. The ban prompted Nigeria's military government in retaliation to bar British Airways from lucrative routes to Lagos and the northern city of Kano.

Nigeria's aviation minister, Air Commodore Ita Udo Imeh, has described criticism of Nigeria's air safety record as unjustifiable. Several officials have suggested the British ban is politically motivated. Officials from both sides tried last week to reach a compromise.

Britain is hoping Civil Aviation Authority inspectors will be allowed to examine the Nigerian Airways DC-10 which was to be used on the London route. They want to assess the airworthiness of the aircraft, recently returned from a \$6m refit in

The Department of Transport in London has released details of faults discovered on Nigerian registered cargo aircraft, which nevertheless held certificates of airworthiness issued by the Lagos authorities.

of recent incidents which call into question safety and security in the Nigerian aviation sector including a power cut earlier this month which caused runway lights to go off just as a Swissair aircraft was about to land.

Airbus may miss target date for crucial reform

By Haig Simonian and

Airbus, the European civil aircraft consortium, may miss its 1999 deadline to transform itself into a fully commercial company. according to the head of one of its main

Mr Jürgen Schrempp, chairman of Daimler-Benz, the German member of the four-nation consortium, said: "I don't know if the transformation will be within the 1999 time schedule. But it is going ahead."

Mr Schrempp's comments, in an interview with the FT at the opening of Mercedes-Benz's new car plant in the US state of Alabama. mark the first recognition by a leading Airbus member that the deadline may slip.

Mr Schrempp, who used to run Daimler-Benz's aerospace subsidiary, said any delay was likely to be caused by continuing reluctance by Aérospatiale, the French Airbus partner, to accept the transformation. The Airbus partners

By John Ridding in Hong Kong

Hong Kong's aviation industry has

been hit by cancellations and disrup-

tion following the decision by the

territory's two carriers to ground

their fleets of Airbus A330-300 air-

craft because of problems with

blow to Cathay Pacific and Drago-

nair, and to Rolls-Royce, manufac-

turer of the Trent 700 engines which

have been involved in a number of

incidents over recent months. Sev-

eral Airbus aircraft operated by the

airlines have made emergency land-

ings after developing engine trouble.

Rolls-Royce engines.

concerns that the country's budgetary problems could pose a threat to the Eurofighter, the joint project of the UK, Italy, Spain and Germany for a new generation of combat aircraft, writes Graham Bowley.

The German government is seeking to allay

Mr Theo Waigel, finance minister, is in talks with Daimler-Benz Aerospace – a partner in the project – aimed at redirecting some state aid paid to Dasa for development of its part in Airbus, the European civil aircraft project, to pay for Eurofighter

an interview in a German newspaper yesterday he was confident Bonn would find the financing for Germany's acquisition of 180 of the aircraft from 2002 onwards. The project has been dogged by disagreement between the finance and

defence ministries over DM2bn (\$1.1bn) of interim costs. The defence ministry has said it is prepared to pay its DM1bn share, but the finance ministry has been more cautious in the light of government attempts to meet the budgetary criteria for European economic and monetary union.

Mr Volke Rühe, defence minister, said in

Aerospace (BAe) and Casa of ing Aérospatiale with Das-Spain, agreed earlier this sault, the private sector state-controled electronics year to turn Airbus into a limited company. maker, he said. However, Mr Schrempp Dasa and BAe have been

pressing for the new company to take control of the partners' Airbus factories. but Aérospatiale has been resisting. Mr Schrempp said Aérospatiale's position was based

on the fact that its facilities were not dedicated exclusively to Airbus production. complicating the transfer of assets to a new commercial Airbus company, as sought by Dasa and BAe.

The French position was Daimler-Benz Aerospace further confused by the "dif-

French military aircraft

said the progress made so far by the technical study groups set up to prepare Airbus for the transformation left him confident the change would take

will eventually come round," he said. "It is inevitable. It of Airbus". will come. Everybody knows.

Mr Schrempp said Dasa's recent decision to forge new links with the Lagardère uring". group of France and support

bid for Thomson, the French giant, did not threaten the Airbus restructuring.

Mr Yves Michot, chairman of Aérospatiale, earlier this month hit out at Dasa's decision to team up with Lagardère before the winner of the bid for Thomson was known. He warned that forming an alliance with Lagardère against Aérospatiale was "signing the death warrant

But Mr Schrempp said: "We will stay friends." The disagreement "will have no effect on the Airbus restruct-

He said: "It is traditional



that you co-operate on one level and compete on another."

with Lagardère - which already has strong links with British Aerospace and GEC - would strengthen Dasa's ties in the UK. Mr Schrempp said. 'We have looked at the

advantages. We know how important the French-German axis is but a trilateral axis is better. That was the best option," he said. involves closer co-operation

by the group's defence electronics, space and missiles

deadline might slip

The closer co-operation

Dasa's link with Lagardère

HK airlines hit by engine problems

dents since last November. "The Air-Rolls-Royce played down the bus A330-300 is designed to be able to land with one engine," the official The latest incident occurred last week when a Dragonair Airbus

sure. "All decisions to shut down an authority.

2000-5. Both the American groups have now signed offset framework agreements with the Hungarian government, and Dassault, that the defence ministry

for Hungary fighter deal expected to do so soon.

By Anatol Lieven in Kecskemet, Hungary

Western fighter aircraft roared and rolled over the Hongarian military airfield of Kecskemet at the week-end in a deafening attempt to persuade Hungary's government to pay up the \$1.2bn to buy them. But in a deal which, if it goes ahead, will be decided largely by the economic incentive on offer, less dramatic but more significant moves were being made elsewhere.

Electrolux, the giant Swed-

ish household appliance

maker, announced that it would increase by \$33m its investment in its Hungarian oint venture, intended to finance the development of its new refrigerator factory at Jaszbereny. Electrolux is part of the Wallenberg group which also owns Saab, and has announced that it believes the whole of the new investment can go to offset Saab's bid for the fighter contract. The Hungarian govern-

ment is considering buying 30 fighters to modernise an ageing Soviet-built airforce, and four big western consortia are in the running. The Saab-British Aerospace joint venture signed a memorandum of understanding with the Hungarian government in 1995, and initially seemed to have won the bid for their JAS 39 "Gripen" multi-purpose war aircraft, but the Hungarians subsequently put the purchase on ice until the question of their membership of Nato was decided in July of this year. In the meantime, three

other western consortia entered the ring. Lockheed Martin, with the F-16/C Falcon, McDonnell Douglas with the F/A-18 Hornet, and Dassault with the Mirage

These agreements outline a general commitment to investment in Hungary.

Saab believe that the presence of several different companies of the Wallenberg group in Hungarian industry gives them a clear advan-tage, with Electrolux-Lehel already providing some 4 per cent of Hungarian exports. Lockheed for its part is

arguing that although not so strongly represented in Hungary as yet, it can rely on its links to General Electric and other big industrial groups. GE has already invested more than \$700m in Hungary, and in February signed an agreement for offset if Lockbeed wins the Hungar ian deal. Russia is offering Hungary

a mixture of modern fighters and fighter bombers, partly as offset for debt; but Rosvooruzhenie, the state military export group, was not represented alongside the western competitors at Kecskemet. At around \$400m. the Russian bid is less than a third of the western ones, but western and Hungarian military experts have raised doubts both about the high cost of the Russian aircraft to fuel and maintain, and about the reliability of Russian supplies of spare parts. No one at Kecskemet could have doubted that the politics of the fighter deal

leaves little room for the Russians. Hungarian ministers, company representatives and western diplomats and officers all travelled down to Kecskemet together on a special train, the "Nato-Express", provided by the Manfred Worner Foundation, a Hungarian lobby group for Nato membership. The Russians are, how-

ever, not the only ones to be worried about Hungary buying Nato aircraft. The Hungarian finance ministry is reportedly unhappy with the cost, and is trying to insist although lagging behind find the money by making seriously in this respect, is cuts elsewhere.

STATE OF STREET

the US.

There have been a number Mr Peter Ighinedion of the

Federal Airports Authority of Nigeria acknowledged that navigational equipment and emergency facilities were poor at most of the country's airports. But he argued that government spending commitments would help standards rise.

Cathay has grounded 11 aircraft, about one-sixth of its fleet, while Dragonair has grounded four. Garuda of Indonesia, the only other carrier operating the combina-Cathay official. tion of Airbus A330-300s with Trent 700 engines, said it would continue

operations with the aircraft.

Cathay Pacific said the aircraft would remain grounded until the problem had been resolved, and that this could be a matter of days or weeks. The airline said the decision to ground such a big part of its fleet was unprecedented and had prompted the cancellation of more

The weekend announcement is a However, a spokesman claimed the carrier was "getting on top of the situation" through rescheduling Airbus routes.

heating and vibrations," said a

than 30 flights at the weekend.

. and the use of other aircraft for the A team of engineers from Rolls-Royce has been examining the problem with the engines, which concerns their gearboxes. "A bearing does not appear to be getting enough lubrication and this leads to over-

She said the problem had been "identified and understood" and that engine have been voluntary rather Business Travel, Page 12

design solution had been found, than forced," said a Cathay spokes-However, this would need to be man, referring to the four such incitested before services could resume.

impact to its orders, saying it had received no cancellations for Trent added. 700 engines. At present, the group has orders and options for more than 90 Trent 700 engines. "This is a fairly new engine and our customers understand there can be problems." said a Rolls-Royce snokesman. "There was never any risk for passengers, this is a question of reliability. What is important is that we

now resolve the situation." As a result of the disruption, several thousand passengers faced delays or cancellations. Cathay said it had not yet considered whether to seek compensation from Rolls-Rovce. The Hong Kong airlines described

their move as a precautionary mea-

made an emergency landing in the Philippines after developing engine trouble en route to Kota Kinabalu in Malaysia. Cathay Pacific is Hong Kong's de facto flag carrier and is 44 per cent owned by Swire Pacific, the local arm of the UK controlled Swire

Other big shareholders include Citic Pacific, the Hong Kong arm of Beijing's flagship investment vehicle. The two groups are also substantial shareholders in Dragonair, along with China National Aviation Corporation, the mainland aviation

Party leadership boost for former chancellor

A senior businessman has written to all Conservative MPs, urging them to resist Conservative leadership elec-

Sir Bryan Nicholson, a former president of the Confederation of British Industry. has warned MPs that choosing a rightwing leader would undermine the party's Clarke was dismissed as "too relations with the business

The government said yesterday it Audit Office inquiry into the assumpto Mr Brown. "We now want an open

Budget until after it had published the casts of public borrowing hinted that results of an independent audit into the national accounts are in worse public finances, Liam Halligan writes. shape than was suggested in the forthe drift towards Euro-scep. The move is likely to prompt speculaticism and vote for Mr Ken- tion that Mr Gordon Brown, the channeth Clarke, the shadow cellor of the Exchequer, will use the chancellor, in the coming report on the previous government's borrowing projections to justify rais-

> As other senior Conservatives sought to influence the leadership contest. Mr

mer Conservative government's November Budget.

"There is widespread suspicion that improper assumptions were made about privatisation receipts and revenues from the 'spend-to-save' [clamp-lyse the ram Last week's launch of a National down on benefit fraud]," said an aide tax increases.

endorsed by Sir Leon Brit-tan, vice-president of the

European Commission and

would not announce the date of the tions underlying the Treasury's fore and accountable system with no cooking of the books."
In its election manifesto, Labour

said it would introduce a Budget within two months of the May 1 vote by early July. An announcement that the Budget will fall outside this period, would lead to speculation that the Treasury needs more time to analyse the ramifications of complicated

soon receive the support of from the centre-ground of Mr Michael Heseltine, the politics. shadow deputy prime minisparty risks making the same another ex-cabinet minister. ter. Sir Bryan's letter

There is also growing specu-pointed to the dangers of the sort of wrong analysis and former party chairman, but lation that Mr Clarke will Conservative party straying taking the same sort of

wrong direction that Labour did after their 1979 defeat," he said, referring to Labour's swing to the left under Mr attitude to people whose Michael Foot, one of its for-

mer leaders. Aides to Mr Clarke said the letter is one of several written by industrialists to MPs urging them to vote for the pro-European former chancellor. But Lord Parkinson, describing Mr Clarke as "too old to be leader by the time of the next Tory government", said MPs felt his insistence on not ruling out Britain's early entry into monetary union damaged

the last government to ransom ... he has a cavalier views don't agree with his particularly on Europe."

Asked if his reference to

Mr Clarke's age was an endorsement of Mr William Hague, the youngest of the six Conservative candidates, Lord Parkinson said: "That is not impossible.

But Sir Leon said there was "not the slightest evidence" that Mr Clarke's views on Europe had harmed the Tory party.

Lotus looks to blossom under eastern sun

Proton plans to build popular Elise sports car in Malaysia

its new Malaysian owners get to grips with one of Britain's most familiar

motoring names. Proton. Malaysia's 'national" carmaker has adopted a fairly hands-off approach to managing Lotus since buying a controlling stake in the sports car and automotive engineering group last October. But matters could change as Proton sets up a second production line in Malaysia to supplement inadequate supplies of Lotus's Elise sports car.

There is an 18-month waiting list for the Elise, a lightweight two-seater which has received rave reviews. Although production is building up from seven a day to a target of 12 by the end of the year, that is not enough to meet the backlog of about 2,000 orders for the

The Malaysian line could

mrole.

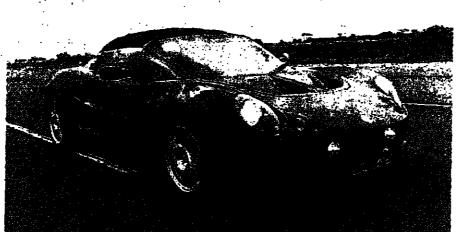
added veries

B ig changes could be coming sooner than expected for Lotus as hours to build an Elise, according to Mr Morris Dowton, Lotus's manufacturing ager, exceptionally slow by motor industry standards.

One reason for this is that Lotus makes virtually all its own parts. While most of the motor industry is "out-sourcing" work to outside suppliers, Lotus's headquarters at an old US airforce base near Norwich contains a network of mini-plants, each specialising in low volumes of key Such intense specialisation

may be one of the first Lotus ding war for Lotus. traditions to go. "We're already looking at differences, and we'll re-export the processes back to Lotus if ours are better," says Tengku Mahaleel Tengku Ariff, Proton's chief execu-

Another widely predicted development could be the departure of Mr Romano Artioli, the Italian entrepre-



Rave reviews: there is an 18-month waiting list and a backlog of about 2,000 orders for the £20,000 Lotus Elise convertible sports car, which will now also be built in Malaysia

neur who bought Lotus from General Motors in 1992. Proton's willingness to retain a role for Mr Artioli, whose: business interests took a turn for the worse following the bankruptcy last year of Bugatti, the famous Italian car brand he revived, was critical to its success in winning the bid-

r Artioli lives near Lotus's headquarters and remains responsible for special projects. But it is widely expected that Proton will eventually exercise its option to buy out his 20 per cent. While change may be in the air for carmaking, Lotus's engineering consultancy, which accounts for 1,200 of its 1,700 staff, will be left to its own devices. Proton bought Lotus to

reduce dependence on Mitsubishi Motors of Japan, its technological mentor. The Malaysian company hopes to develop its first independent model before the end of the decade, although it will take a little longer before the vehicle is fitted with Proton's engines. Although the company has been expanding its research and development unit, it still employs only about 300 R&D professionals in Malaysia.

Lotus should change that. The company has an international reputation in engine development and con-siderable experience in the

areas of noise, vibration and harshness. It is expanding into whole vehicle development thanks to Proton. A £7m (US\$11m) prototype development and engineering centre, due to open next April, will concentrate on Proton's new vehicles.

But Proton knows it must not antagonise Lotus's existing engineering clients by giving the impression their work is being downgraded, or their proprietary technology is at risk. Although Lotus suffered from the vicissitudes of Mr Artioli's Italian business interests, it benefited from being inde-

Black economy 'costs Treasury \$32bn a year'

By Stephenie Flanders

Britain's unofficial or "black" economy has grown rapidly since the mid-1980s and now costs the Treasury £20bn (\$32.4bn) a year, an unpublished report for the European Commission has

The study, by Deloitte & Touche, the accountants. calculates that the black economy last year was worth about £80bn, the equivalent of 12 per cent of gross domestic product. It estimates that the cost to the exchequer, in lost receipts for value added tax and other taxes, could be the equivalent of nearly onethird of last year's income

tax revenues. The report is part of a fivecountry study into the size and budgetary costs of the European shadow economy launched last November by the European Commission.
It is likely to fuel specula-

tion that Mr Gordon Brown, the chancellor of the exchequer, will introduce new asures to close tax loop-Haig Simonian holes and tackle VAT eva-

Customs & Excise said yesterday that many measures along these lines had been introduced in last year's

"We have appointed six special teams of officers concentrating on various areas of the shadow economy such as the construction industry where builders often do jobs for cash when they should be registered for VAT," said Customs & Excise.

A concerted attack on VAT avoidance announced in last year's Budget aimed to raise £700m in its first year. Over the last few years. VAT receipts have fallen significantly short of the Treasury's targets, but this shortfall has recently been declining as a result of faster economic growth.

Previous studies have put the size of the cash economy at about 6 per cent to 8 per cent of GDP

But Mr Dilip Bhattacharyya, an economist at Leicester University who co-authored the report, believes that unmeasured economic activity has risen sharply in recent years.

Lloyd's may delay new rules for Names

By Christopher Adams, Insurance Corresponden

Radical plans by Lloyd's of London to raise minimum capital requirements for Names could be revised following angry protests at the speed of reform.

Lloyd's proposed last month that Names - individuals whose assets have traditionally supported Lloyd's – increase funds held at the insurance market and show greater per-

sonal wealth. Names' numbers have declined following several years of huge losses, and corporate investors have been replacing them. Lloyd's believes reforms are essen-tial to satisfy regulators and ratings agencies.

The Association of Lloyd's Members, representing several thousand Names, described a proposed two-year period for introducing the new requirements a

wholly unrealistic". It argued that too much haste could result in a damaging exodus of capital.

It is thought the insuran market's ruling council could allow more time for some proposed changes, and may drop moves to stop Names using homes to sup port underwriting.

The association said yesterday it "would have to welcome" any concessions. At present, most Names hold funds at the insurance market representing 20-30 per cent of the business they can back, compared with a

corporate investors Lloyd's proposed that Names within two years show evidence of means

It put forward plans for a risk-based capital system, under which all investors would need assets totalling at least 50 per cent of the premiums they supported. Funds at Lloyd's ratios for Names would under the pro-posals he raised to 32.5 per cent next year and 37.5 per

helned a life-saving drug. Hoechst.

In a number of civilizations, snakes have long been revered as a symbol of healing.

It was 90 years ago that scienusts developed a better understanding of exactly how snake poisons act in the human body.

Protecting the beart and the cardiovasular system.

An example of research in this field is an active substance used to treat cardiovascular disorders.

The human body contains certain tissue hormones called kinins, which reduce blood pressure and open the blood vessels. Now it has been discovered that the blood-pressurelowering and vasodilating action of the kinins can be boosted by proteins found in the venom of a Brazilian pit viper.

Scientists at Hoechst Marion Roussel, our pharmaceutical company, have used this dis-



covery to synthetically produce these proteins and thus develop a new life-saving drug. Research into cardiovascular disorders has always played an important role at Hoechst.

In 1904, Hoechst researchers were the first to synthesize the hormone adrenaline. Other vital developments followed, including edema therapy and preparations to dissolve blood clots.

Today, Hoechst Marion Roussel offers one of the broadest lines of cardiovascular products. Cardiovascular disease is still the No. 1 cause of death, which is why fighting this important problem is a matter so close to our hearts at Hoechst Marion Roussel.

Hoechst is an international group of companies spearheading innovation in health care, nutrition and industry. With a staff of 145 000 people worldwide, annual sales total DM 52 billion.

THIS WEEK

aturday morning in Muf-fendorf, the fashionably-reserved 12th-century village outside Bonn. The houses - half timbered or newlybuilt – are spick and span. Little disturbs the misty Rhineland air. Except, that is, the thought that the weekend has started and somehow the shopping has to be

mats, doctors and civil servants of Muffendorf from the horrors of German shops. Horrors which lay behind two reports last week on basic structural problems facing the country's retailing industry.

But Muffendorfers have no time for the details - or to ponder Germany's difficulties adjusting from industrial society to service culture, or to worry whether a powerful economy that makes the world's best cars could in the space whelk stall. The sun is ris- or even just good service is alien. is not accepted. Fail to pack fast shoppers are not looking to spend out-of-town discount houses.

ing and the Hit supermarket is

only open until 4pm. Down the hill, and the supermarket car park is heaving, drivers desperately trying to find spaces, passengers left to fend for Not even the cosy, toy-town themselves. Parking for parents atmosphere or the truffle-box with children - or even marked scenery can protect the diplo- pedestrian walkways - would be asking too much.

Inside the low, cramped white building, the aisles are narrow. At the fruit and vegetable section the scrum is building. The shelving is basic, the choice restricted largely to well-known brands.

Take a toddler or two - I can vouch for this - for a still greater thrill. How about trolleys that At the check-out, goods are ratcarry more than one child (commonplace in the UK)? Sorry, no. Except the few staff would not next millennium run a cyber- say "sorry". Service with a smile, That will be extra. Card payment

DATELINE

Bonn: shopping in Germany is frustrating, but consumers are not looking to spend extra for better

tled through as quickly as possi-

service, writes

Ralph Atkins

Didn't bring your own bags?

enough and earn icy glares from extra for better service - at least the assistant and shoppers not when it comes to buying grobehind you. Remember the shop ceries. ("The family excursion to shuts on Sunday, fresh items will the shopping mall as in the US, is

Weekly circus depresses toy-town

German association of food retailers reported that 1996 saw, for sluggish economic performance the fifth year running, a real-during the past few years. Gerterms reduction in the sector's man shoppers take a list, and fin-

Longer opening hours introduced last November, which sion is abhorrent. extended latest closing times to Saturday, made no difference. "Even longer shopping hours could not entice more money out Germany's food retail industry of consumers' pockets," the association concluded.

Gerd Härig, the association's chief executive, says German anyone to fill their car boots at

begin selling out soon.

It is a depressing encounter. No wonder a report last week by the German association of food retailish as fast as possible. The idea of supermarket shopping as a diver-

Hence, the strength of discount 8pm on weekdays and to 4pm on houses, such as the Aldi chain, which last year accounted for almost 30 per cent of turnover in

The diplomats and mandarins of Muffendorf are as likely as

ing means profit margins are perilously thin. Few pfennigs are and the better training of staff. spare for investment in new technology, consumer psychologists, wider aisles - or just a free bag. It also means poor pay for unmo-

tivated staff. shopping becomes ever more has suggested shoppers take dia-

lengthy study by the geographiimproving the quality and excitement of shopping in the snooty,

It suggested actively opposing "trading down" - already appar ent around the station - and The focus on price in food buy- the promotion of high-value, exclusive brand clothing shops

Another item on the shopping list of proposals - "customer friendly" opening hours - would end confusion created by November's loosening of the legal frame-It is a vicious circle. As work. That led to gross inconsisexpenses have been trimmed, tences between stores on when supermarkets have become uni-doors shut and open. (The local form with little to add value; newspaper, the General-Anzeiger,

ries.) " It is a circle the local council in The study is a commendable Bonn - in the second report last effort. At 227 pages, it is serious week - has sought to break. A reading after a hard morning's shopping. But if the recommencal institute at the city's univer- dations were implemented, Bonn sity set out recommendations for could help vitalise Germany's ternary economy.

The message can be simply but also slightly dowdy, centre of expressed: shopping in Germany the soon-to-be supplanted Ger- ought to be just a bit more fun.

The Monday Profile: Roberto Colaninno, Olivetti

Magician with a milk shaker

big square desk squeals. Roberto Colaninno grabs it with some irritation but his face soon lights up. "Bravo, bravo, that's terrific news," says Olivetti's new chief

Had the troubled Italian information technology group clinched the deal that would guarantee its salvation? Or had the managing director he had scolded that morning for lacking individual initiative suddenly been converted, like St Paul, to

his tough entrepreneurial creed? "No, it was my younger son. He's just passed his economics exams." explains the proud father on whose stocky shoulders rest Olivetti's recovery hopes.

For a moment, Colaninno had dropped his guard and usual reserve. Since being parachuted last September into Olivetti with the challenge, some would say, of performing an industrial and financial miracle, he has reluc-

tantly had to face the limelight. There could be no greater contrast between his flamboyant predecessor, Carlo De Benedetti, and this 53-year-old model of the solid, successful north Italian provincial entrepreneur going about his business in a quiet, effi-

cient way. Yet there is great mutual respect and personal friendship between these two very different characters. After Colaninno decided to leave a multinational to set up a car components company in his native city of Mantua 20 years ago, it was De Benedetti who became his partner and helped him build up Sogefi into a professional career. L1,000bn (\$582m) a year company

him to rescue Olivetti - one of more than 6 per cent. Italy's oldest and most venerable and left on the edge of a financial wanted to hear."



(as De Benedetti is generally known in Italy) made his proposal. The next day, at 9am I accepted for very simple and complex reasons. It was an opportunity difficult to repeat in my

He has maintained "a frank with 5,000 employees and plants and open" relationship with De in 11 countries around the world. Benedetti who has now reduced And it was De Benedetti who his stake in Olivetti from 15 per rang him out of the blue at 2pm cent when the new chief execuon Monday September 16 to ask tive was appointed to slightly applied the same straight for-

Colaninno dismisses talk that companies which De Benedetti he is De Benedetti's stooge, "I've men; identify the generals, the tried to transform into a multina- always told him what I thought colonels and the soldiers; create a tional high-tech conglomerate even if it was not what he group feeling, give your troops

"I was living happily and qui- Colaninno says he discovered "a The second step was to identify

a mix of men, products and problems all shaken and stirred. His immediate task was to restore morale. "Olivetti had and has excellent people who at that

of all the events that had occurred." he says. With his experience at Sogefi, where he acquired over the years troubled companies and then turned them around, Colaninno

"First you put order among the security and the conviction we When he moved into Olivetti, can win the battle," he explains. etly at Sogefi when the Ingeniere milk shaker". The company was the root problems and address

ward recipe at Olivetti.

"What I knew from the start was that I could not ask for any money from the financial markets," he says. "But I know what Olivetti will be tomorrow: a holding with two important core busies in telecommunications

and information technology." The loss-making personal computer operations were sold, with other smaller operations. He also had to sacrifice an 8 per cent stake in the fast-growing Omnitel cellular phone group to raise money. He concedes, it may have looked like a garage sale. But be insists it was not a gradua) liquidation of Olivetti. "It is putting our house in order to leave us

with two clean businesses." The financial markets have yet to be convinced. Although Colaninno has so far met all the targets he has publicly set himself, Olivetti's share price has contin-

ued to languish. To restore confidence in the group, Colaninno has sought to make Olivetti as transparent as possible, meeting financial analysts and disclosing, for the first time for an Italian company,

quarterly financial figures. His target is to see Olivetti close to break-even by the end of this year in terms of pre-tax figures and excluding the operations of Omnitel. Last year, the group's pre-tax losses, excluding the Omnitel operations. totalled L600bn.

And once the company's financial and industrial credibility has been restored, he hopes to attract a group of stable shareholders to time were in disarray as a result back Olivetti's longer-term development.

It remains a daunting challenge. But Colaninno says he sleeps very well a night and the task of bringing Olivetti back from the dead does not stop him leading a normal working life and spending weekends at home in Mantua.

For two weeks of the year he gets away from it all, fishing and hunting in Patagonia. It's the sort of peace of mind he

is trying to instill at Olivetti.

Paul Betts

FT GUIDE TO:

THE IRISH ELECTION

The two main parties both prefer to stick to their original Irish names - Fianna Fail, the "Soldiers of Destiny" and Fine Gael, the "Tribe of the Gaels or Irish". The other parties include the centre right Progressive Democrats - a mid-1980s break away from Fianna Fail. The Democratic Left has its origins in the Workers party and if you scratch further in the Irish Republican Army. With the exception of the Irish Labour party, the oldest political party, and the Greens, all the other Irish

Why are there so many political parties? Elections are conducted under proportional representation using a single transferable vote (STV).

This tends to favour and therefore encourage smaller parties. The system was introduced by the British in

1919, in part to ensure that Sinn Fein ("Ourselves Alone") never again enjoyed the electoral hegemony it achieved in the 1918 election, when it won 75 seats. STV was also designed to entrench the rights of religious minorities - particularly the pro-British protestants.

There are 41 constituencies, some three seat, some five, which together make up the 166 members of the Dail, or Irish parliament. Voters rank the candidates in order.

At the count the votes are sorted according to count, no candidate has reached the quota to be elected, the last candidate is eliminated and his or her votes transferred to the candidate for whom a second preference is recorded. If a candidate receives more than the quota, the surplus votes. are transfered to the remaining candidates.

Parties can nominate as many candidates as they wish, though the rule of thumb is that in a three-seater the big parties nominate two candidates, and four in a five-seater where they hoped to win three seats. The smaller parties limit their candidates for fear of splitting their vote.

The system allows supporters of one party to use their second or third preference vote for candidates of another party - the so-called transfer vote - in this way expressing a view on a particular coalition.

Do people like the STV system?

argue it fosters clientelism, as TDs need to spend so much time in their constituencies, ensuring their supporters do not switch their allegiance to another candidate from their own party at the next election.

But it has survived two attempts to have it removed by referendum from the statute book. The Dail certainly has a greater diversity of view. STV has also ensured that apart from the Greens,

The Irish election has been called for June 6. For all the main parties have come experience of a start, what do the names of the Irish parties office. And with the polls suggesting a very close contest, some analysts believe the Greens could be the kingmakers this time.

What do the parties stand for?

There is no strictly right-left divide in Irish politics. Both Fianna Fail and Fine Gael have a rural based support. Fianna Fail is considered more conservative on social issues, but then it was a Fianna Fail-led government that legalised homosexuality between consenting adults, made condoms available and backed a referendum to legalise divorce. At the other extreme, the PDs tend to be the most liberal.

On Northern Ireland, as the the guardians of constitutional republicanism, Fianna Fail tends to be more sympathetic to Sinn Fein than Fine Gael. Equally, Fianna Fail is more cautious about abanning ireland's neutrality.

But why are there two right of centre parties? History, in a word. Fianna Fail was the party that opposed the 1922 treaty partitioning Ireland while Fine Gael supported it. Particularly in rural areas,

Will they ever merge?

That will only happen if one of the parties -probably Fine Gael as the smaller of the two were reduced to a rump at a future election. If so, Labour would become the opposition as opposed to being the permanent party of government. But that is hypothetical. As long as the system throws first preferences for each candidate. If on the first up smaller parties with enough seats, Flanna Fall and Fine Gael will choose to coalesce with them. largely because it means they can retain more of the ministerial portfolios for themselves.

Has Ireland always had coalitions?

From 1950 to 1989 - when Fianna Fail went into bed with the PDs - the Irish electorate had had two choices of government:either Fianna Fail by itself or a coalition of Fine Gael and Labour. In next month's election, the outgoing Fine Gael-led coalition is seeking to be returned as a government. In the past voters have tended to vote for or against Fianna Fail. But in the 1990s new ground has been broken with the first Fianna Fail-Labour coalition in 1992 and in 1994 the current Rainbow coalition of Fine Gael, Labour and Democratic

What will the general election change?

The TDs (a Teachta Dala is an MP) do not. Some Much less than you might think. All the parties are committed to joining the European single currency. Any incoming government will be constrained by a three-year pay agreement with the unions. Perhaps with Flanna Fail back in power, there may be more progress on the Northern Ireland peace process.

John Murray Brown



Stephanie Flanders · Economics Notebook

Do unions still matter?

The falling numbers of union members still earn more

It was all smiles at Number 10 last week as John Monks, TUC general secretary, went to meet Tony Blair. All smiles, but no beer and sandwiches. New Labour has vowed there will be no special treatment for union leaders, and they look as if they mean it. All of which leaves a question for the unions: if they cannot hope for a favoured seat at the table in a Labour government, and they can no longer act as the last defence of workers in Tory Britain, what can they do?

One answer would be that they can do what they have always done, the world over get higher wages and benefits for their members. Union membership may have fallen in counmost of the evidence suggests that the "union wage gap" - the premium you can expect to earn for working in a unionised company rather than a non-unionised one – has not.

Union membership in the UK had risen to about 50 per cent of the workforce by 1979. At that time researchers calculated that the average wage gap between union and non-union workers flower admits: "They are hardly was about 10 per cent, the same consistent with the widely held as it had been in 1970, when view that union power has been unions had not yet been marked out as the "enemy within".

In the US, where union members accounted for slightly less getting that 10 per cent premium than 30 per cent of the work- than there were 15 years ago. force, the premium fluctuated But, just as we know that Conaround the 15 per cent mark servative reforms made it easier between 1967 and 1979.

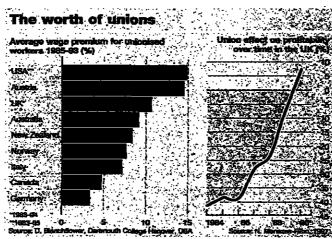
By most reckonings union plants paid the price for this premium in terms of lower employment growth and profitability dominantly unionised companies

relative to other workplaces. Cut to the mid-1990s, and union membership in the UK is down to 32 per cent of workers. In the US, only 15 per cent of the labour force, and a mere 10 per cent of employees in the private sector, were members of a union in 1995. Yet recent research by David Blanchflower, an economist at Dartmouth College in the US, suggests that the union wage premium in either country has hardly budged. Others things being equal

(skill level, education, age, experience and the like), he calculates that union members in the UK still earned 12.5 per cent more than non-union workers in 1994. Stripping out the effects of tries such as the UK and US. But the economic cycle, the union wase premium has averaged 10.7 per cent since 1983.

Blanchflower gets similar results in the US, where the premium has hardly changed since the early 1980s, averaging slightly less than 15 per cent between 1983 and 1995.

ures are higher than in most OECD countries. And, as Blanchemasculated". In macroeconomic terms, unions are less effective: there are far fewer UK workers for employers to avoid having unions altogether, it is clear they have weakened the unions' bargaining power even in still pre-



it more difficult to strike). Why did unions still manage to glean higher wages for their members? A partial answer in the UK, discussed in an article by Naercio Menezes-Filho in the latest

(among other things, by making

that they increased the compaaccrue to the employer rather than to the workforce. As the author notes, unionised compathe mid-1980s. As the graph shows, the average company opting to recognise unions in 1984 could expect to see profits fall by the impact on profitability was close to zero.

issue of the Economic Journal, is As the graph shows, these fig- ny's productivity instead, and allowed the extra return to nies tended to be much less profitable than non-union ones in

> Menezes-Filho finds that profitability in union companies tends to be less cyclical than nonunion ones, suggesting that rec

ognising unions may positively

have boosted corporate profitability during the early 1990s. Over the economic cycle, he reckons that union recognition probably still has a negative impact on profitability, but only a very modest one.

On one level, the results merely confirm the widespread view that the impact of the 1980s trade union legislation was to take us right back to where we were in 1970. Confronted with increased management bargaining power, the relatively unproductive and unprofitable unionised companies experienced productivity growth which permitted them to catch up with more than 40 per cent. By 1990, non-unionised ones. Since the gains of this productivity were not captured by workers, the relative profitability of unionised companies went up, leaving the wage premium unchanged.

same as it was. All that the results about the wage premium show is that the gains in relative profitability at unionised companies were won through reduced employment - and, ultimately, dramatic declines in membership - rather than lower wages. Given the choice between the two, unions, "chose" the first.

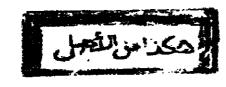
Menezes-Filho's results suggest that, with or without Tony Blair, the impetus for employers to extricate themselves from unions has all but disappeared in the UK. Why, after all, should a company care what its workers' earn if a small workforce enjoying "premium" wages can produce the same amount of profits as a large one? Interestingly, however, the

same does not appear to be true in the US, where most research continues to find a strong negative correlation between unionisation and profitability and though this is more open to dispute - lower productivity. That may partly explain the oddity that companies in the US seem to fight hardest to prevent union recognition - even though unions there would seem to be

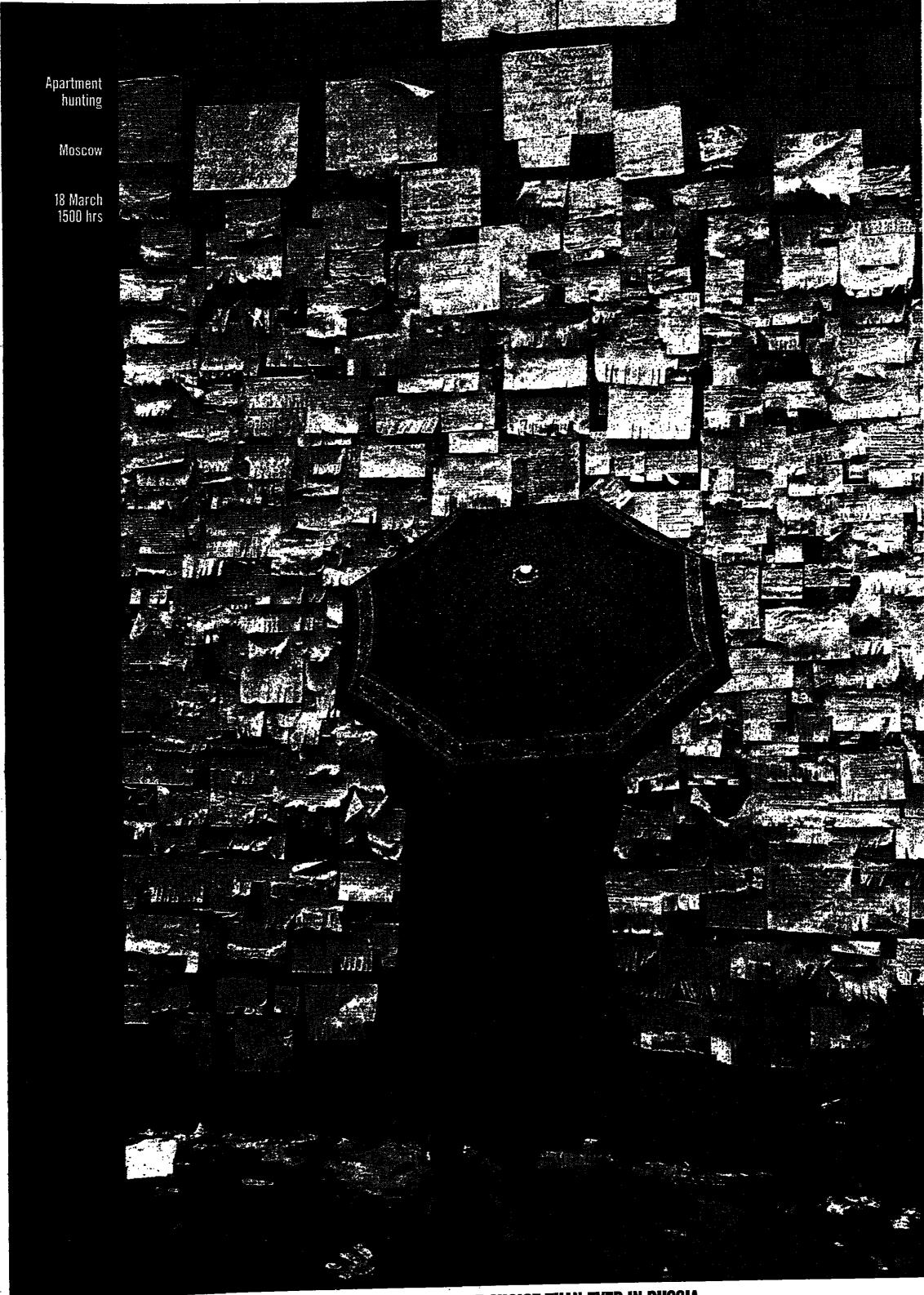
the weakest in the OECD. The question, in both countries, must be whether unions can escape a future shoring up the position of a diminishing rump of better-paid workers. In recent years, union leaders have been trying to develop an alternative role. But they are running out of time in which to find it. Changes over time in union relative wage effects in GB and the US, Centre for Economic Perfor-And yet, everything is not the mance Feb 1997.

T0 ums of system iss, up a nouverage of seggetters, Provides for the determination of post prices is made in the Pooling and Sediceters Agreement which governs the operation of the electricity pool in England and Weiter, the Pool Purchase Price is the Lesian of the resignity of payments made to generate a fire report of electricity tracked through the pool. The calculation of pool prices is a finite recent to remove the nechanic unded strongs the pool. The calculation of pool prices is a Righty cottsplar process in the product of which is addisct to revision or correction fand assections region shoustons) until their pool private and object provides and object provides and object product productions of their revision analyst correction, not reliable to their revision analyst correction, not reliable to their revision analyst correction, not reliable or any day being the same as fined pool prices for any day being the same as fined pool prices for any day being the same as fined pool prices for any day being the same as fined pool prices for any day being the same as fined pool prices for any day being pool prices for their pool prices for their capable of revision. The Transmission Services Use of System Price (TSP) is charged by the Neutonal Gred Company for pOECQ for the papers of the described transmission system for the purpose of callinating the costs action; but the operation of their system. Charges are calculated by NGC are be beinged on preparent matter by NGC into the set beingd on preparent matter by NGC into the area system. Charges are calculated by NCC are see brand on prymenta much by NGC are see brand on prymenta much by NGC are the Pool. TSP is also capable of revision. Pool Saling Prior is the prior paid by purchasors of sectricity under the pool trading area generals, it is dependent upon the determination of Pool furthers Prior. Burther internation on pool rioss is provided on behalf of the prior in the p rices is previded in behalf of the Foot and on SP on behalf of MSC by Energy Settlements of Internation Section 1997 Settlements Energy Sattlements and Injo Initial

TS use of spaces 9410d 9410d







THE GOOD NEWS IS THERE'S MORE CHOICE THAN EVER IN RUSSIA.
THE BAD NEWS IS THERE'S MORE CHOICE THAN EVER IN RUSSIA.

Capitalizing on the pent-up demand for consumer goods and services in emerging economies promises high rewards, but it also carries high risks. Often these markets don't have the communications or distribution infrastructures businesses take for granted.

have the communications of distribution infrastructures obtainesses take for granted.

For companies who want to succeed in overseas markets, a partner familiar with the political, business, regulatory and cultural climate of the target country is a necessity. Fortunately, AIG is uniquely positioned to help companies guard against the many risks entailed in doing business abroad.

If you are investing in overseas markets. AIG can help you protect your employees, your operations and your balance sheet on a local, regional and global basis through its unmatched breadth of insurance and financial services. Services like directors and officers coverage, employee benefit plans, foreign exchange management and travel accident coverages. And we've got the top financial ratings to back us up. So your company won't be left wondering world LEADERS IN INSURANCE AND FINANCIAL SERVICES which way to turn next.

MANAGEMENT

he couture salon of Bergdorf Goodman, the upmarket department store on New York's Fifth Avenue, is familiar terrain to the ladies-who-lunch of the Upper East Side.

But the 80 or so women in brightly coloured business suits who gathered there for a cocktail reception earlier this month were of a rather different ilk: they were all US partners of Coopers & Lybrand, the accounting and management consultancy firm, and they were kicking off its third annual women partners' leadership conference.
The two-day event is unusual

because it is sponsored by the firm, and involves the participation of senior management, although Xerox and Hewlett-Packard have also held women's conferences. Nicholas Moore, the chairman and chief executive officer, addressed the group, and he and other senior managers, including the firm's two chief operating officers, attended ses-

Backing the event has been "one of the best and wisest decisions the firm has made", believes Iris Goldfein, vicechairman, national human resources at Coopers & Lybrand. "It has been an empowering experience. The women partners work with management to set the agenda for management." Which means, she says, that things get

Coopers & Lybrand's concern is not solely the principle of equality. There is an economic rationale for the firm's commitment to encouraging women's develop-

"The face of our buyer is definitely changing and they expect people who serve them to represent them. And real diversity brings more creative solutions to our clients," says Goldfein. For this year's conference, she

commissioned research to prove it. A survey of 600 female business executives by Louis Harris and Associates, a research company, showed that they prefer to purchase consulting services from women by a margin of 8 to The survey participants also believe that women are more "responsive" when delivering services, "work harder" to make sure business needs are met, and offer a "different perspective".

Coopers & Lybrand has been among the list of 100 best compa-

Thy are some deals so

pected answer, according to a

study of large acquisitions, is not price or strategic fit. Instead, the

secret of success lies with the

calibre of the post-merger man-

agement, according to Kenneth

Smith and Susan Hershman, two

Toronto-based partners of Mercer

Management Consulting.

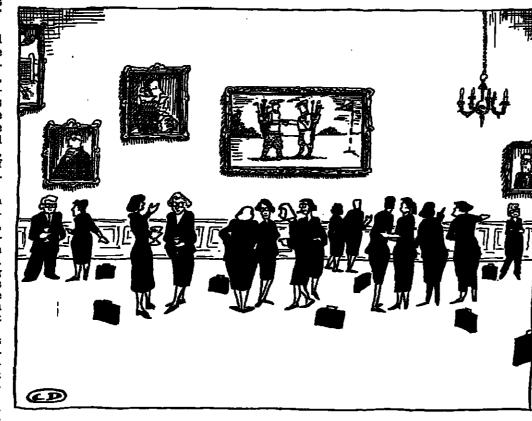
barely 50 per cent.*

much more successful

than others? The unex-

On top of the gender agenda

A conference of women had better things to do than moan about Neanderthal male colleagues, says Tracy Corrigan



magazine in the US for the past two years – although not among the top 10, which includes Eli Lilly, International Business Machines, Johnson & Johnson and Xerox

But its apparent femalefriendliness has yet to show itself in appointments at the top of the organisation. Only 119 of its 1,230 partners are female - and although more women are reaching partner level, there is also a higher turnover among female than male partners.

Moore has said he wants 30 per cent of the partner class of the year 2000 to be female. And since the partner conferences were devised, two women have made it to the vice-chairman

level - one in information tech-

The drop-out rate could be connected to the demands of partnership at a time in their lives when many women have young children. Only five of the women partners are part-time - and part-time, it turns out, may mean 40 hours a week. Mary Jefferson, a partner in

the business assurance group in Minneapolis, is one of those who has managed to work part-time as a partner. "I didn't have [three] children just to prove it was physically possible," she

But initially she was discouraged from reducing her hours.

A post-merger business depends on the calibre of its management, finds Vanessa Houlder

"When I was put up for partner nology, and Goldfein in human [in 1992], I sat down with my resources. two things. The first was that accounting is like a bowl of ice-cream - I loved it but I couldn't eat that big a bowl. And the second was that I don't have time to spend the money I make, so having more doesn't do me

> His response was that the time was not right to go part-time, but that she should go ahead with becoming a partner anyway. She did, and when she applied to go part-time a couple of years later. it was approved immediately. Her arrangement has worked

well, partly because she has been willing to be flexible, for example

putting in extremely long hours for a short burst when a client in Kansas City was unexpectedly put up for sale. She believes part-time and flexible work practices are becoming more accepted. "The thing about starting trends is that there is so much energy spent in creating that trend. The people who follow along have an easier time."

Back at the women partners' leadership conference, participants say they did not spend their time moaning about their more Neanderthal male colleagues. Instead, they networked. discussed marketing issues and performed self-assessment exercises to highlight weaknesses as well as strengths and set themselves goals. However, for many, the conference seems to have been important because it happened, rather than because of what happened.

Jefferson believes that the first conference "gave the firm a call to action", and encouraged the management to set an agenda for diversity issues.

Margaret Enloe, a partner and general counsel, agrees: "This time it was nice because there was an assumption that there would be this meeting and [fewer] comments by the men . . . they've recognised it's useful for the entire firm." Men have also seen that "the women haven't come out with an 'attitude'. It's been positive energy."

She also believes there is a

greater "general awareness that vomen are an important part of the firm. The current management sets the right tone. [Moore has] made this a strong focus of his agenda."

And the women involved say

they came away invigorated and inspired. "To be in a roomful of powerful, articulate, bright women is a very special experience," says Karol Rose, a partner. "It's good to see that there's more than a few of us," says Linda Ianieri, a senior audit partner. "It was wonderful to take a moment to self-examine.

Women partners in Europe may be less adept at selfexamining, but there are plans to invite them to next year's bash

It may be overdue; according to one former partner of Coopers & Lybrand in London, some of the men in the office there could also do with a bit of diversity training. The culture for women was "appalling", she said.

nicated inside and outside the organisation; meticulous preparation of changes to the structures. processes, systems and culture; and an ability to make changes happen quickly. The deals that increased share-

holder value were those in which the markets saw and rewarded results, based on actions after the deal. The deals which lost shareholder value were those in which the markets were intolerant of inaction or poor results, the consultants say. "For most compa-



PARTNERS

Hurst Publishing



Valley Trader, a maga specialising in selling cars. in 1982 they formed an alliance with Guardian Media Group and charged the mages ine's name to Autotrader. Their turnover last year roas £48.2m.

John: "It was a real David and Goliath battle when we launched. We were this little fledgling company taking onthe big players, yet they ignored as at their peril.
I remember Paul and I wen

to see a buyer for W.H. Smith and showed him the magazine Have you still got day jobs? he asked. When we said we were both still working at the Reading Gazette he said: Well I suggest you put your shirts back on and go back to you'k, you haven't a hope in hell of

It was preity damning stuff but we went shead anyway. I knew Paul was a first-class salesman and a hard-workinguy, which is one of the reas I asked him to partner me. We had to do everything

ourselves in the beginning, taking photographs, seiling the space, calling wholesalers, talking to dealers. We had a tiny reuted office about 8ft by 6ft, which meant we had to go into the car park if we wanted any privacy. We'd say: Meet you in the Marina Suite, which was Paul's Austin Marina

We certainly went through the pain barrier. I think you have to keep things tight when you start a husiness. It's dean and centre. I say: keep it a slim build on that

Paul and I sing off the same hymn-sheet in terms of

progress and expansion. As there are only two partners, the back stops with as It means any decisions are made quickly, without dithering or calling a light meeting.

it. "John and I have always

had a healthy respect for one another. We were both achieves and both wanted to opening a furniting warehouse; hecause we didn't have the means we during have the means. Then Iolin came back from holiday in California beying seen a magazine with pictures of cars for sale. We were both selling space to the motor trade so we knew

oppertunity. . Before John told me about the idea he made me sign a piece of paper saying I wouldn't copy it anywhere in the world. Obviously he trusted me!

instantly this was a golden

Fremember thinking it was quite formy seeing our very first magazine on sale for 10p.
We distributed half a million of them, then sat back and waited for the business to come

Rooding it.

Three days later nothing had happened so we knew we had to go out and make it work. The breakthrough came after fiddle. Shah look on the training. When all the publishing lienses in the Realing area were on strike, we found one that want t unionised and managed to get

the magazine on the siteets.
From then on we began to
grow. We're new diversified
into other businesses and have an understanding that we offer the other a 50-50 split if it's a serious deal. When John bought Reading football club, he affered me the chance to invest

but I couldn't affect it then. now, but I'm a great believer in

Fiona Lafferty

holders of deals worth \$500m or

The need to increase the success rate of mergers and acquisitions remains as urgent as ever. : improvemeni since the 1980s. In a study of post-acquisition returns to sharemore, Mercer found that the success rate this decade has been

The secret of living happily ever after

work out the factors affecting the ate value as there are 'bargains' success of deals by examining more than 340 large acquisitions between 1986 and 1996.

between the offer price and the target's market value three months before the deal - and the value created by the deal. "It hardly means that price is unim-

The consultants have tried to as many expensive deals that crethat don't," the consultants say. And when the consultants

better sti

improved returns. Rather than price or strategy, the researchers found that the calibre of post-merger management was the single most imporportant, but rather that there are tant determinant of acquisition

That is why experienced acquirers - those that complete six or more deals a year - suclooked at the role of strategy. ceed significantly more often No link was found between the they found no direct correlation than do their less experienced etitors, even tod often pay high premiums, say the

> They identify three factors behind successful post-deal mangement: a compelling, ambitious vision which is is widely commu-

*Making mergers work for profitable growth, Mercer Mana Consulting. 1 Grosvenor Place. London SW1X 7HJ.

announce a big deal and leave staff

The correct way to proceed is with a blitz of communication, with meetings, question-and-answer sessions, information sheets and fixed timetables. To deal with staff as an afterthought is the best way to ensure anxiety, demotivation and bitterness. It is also an invitation to the brightest to walk out of the door.

dangling with no idea of how it is

going to affect them.

No one actually reads management books. Most of them are too boring and life is too short. But everyone likes to pretend they read them so that they can drop references to the latest theory or catchphrase. A solution is offered by a company

called Book Talk Every month it will send you "key essentials" from four leading business books on a cassette. My only concern is that the company suggests the tapes be played in the car.

Surely, like cough medicine, they can cause drowsiness, and are dangerous when driving

When your life hangs in the balance

CONTRACTS & TENDERS

NOTICE BY ABSTRACT OF CALL FOR TENDER

L'ENEA, Ente per le Nuove Tecnologie, l'Energia e l'Ambiente, with Head office in Rome, Lungotevere Thaon di Revel, 76 (tel. + 39 6. 362371, facsimile +39 6 36272777) announces an open call for tender for a contract of helicopter services in support of the Italian expeditions in Antarctica. The annual budget amounts to ITL 2000 million (net of VAT/GST) or the equivalent in ECU currency; duration three years. Award: The most advantageous financial tender according to art. 23, sub-section 1, letter b) and art. 25 of the Italian Legislative Decree 157/95. Expiration of tender: in conformity with the unabridged call for tender, not later than 12.00 hours of 10th July, 1997. For tender documentation, to be handed over or forwarded to the Firms (on written request) please apply (Monday - Friday 9 am -4 pm) to Ing. Antonino Cucinotta (Tel. +39/51/6098494 - Fax +39/51 609 8575) or to Mrs Antonia Goosen (Tel: +39/51/6098610 - Fax +39/51/60986237 or to Ing. Umberto Ponzo (Tel. +39/6/30483525 - Fax +39/6/30484893).

The unabridged call for tender, giving all conditions of the tender, has been sent to and received by the Office of Official Journals of the E.U. on the same date of 16th May, 1995 and published in the G.U.R.I. Part II n.120 of 26th May, 1997, is available at the Unità below.

> ENEA - Person responsible for the Unità Coordinamente Procedure di Gare Dr. Massimo Urbani

f 140 MBA students at London Business School, how many aspire to a career in corporate man-A half? A third? No: just

What these young things want, apparently, is a balanced life in which they have work, fun, lots of money and plenty of time for their family and friends. That is not all. They also want jobs that will give them autonomy, responsibility, and a sense of achievement and fulfilment. That wish list most of them believe, is simply not compatible with a career in management at a big company.

This unexpected finding comes from a survey by two professors at LBS and is published in the first issue of the FT's new monthly magazine. Masterina Management.

The authors say that there is a crisis of faith in managers. Outsiders do not know what managers do, and regard them at best as dull, and at worst, as greedy. Even sophisticated business school students apparently see managers through the lens of economic theory, according to which they are opportunists who can only sustain profits by distorting and squashing the competition.

The solution, they say, is to educate everyone about the valuable, essential role played by managers, the prosperity they create, the creativity they nurture, and so on.

This analysis is shocking, mainly because of where it comes from. If LBS graduates have little idea about what managers do, then one wonders if they learn anything at business school at all.

Over the past decade there has been a revolution in corporate management and one might have thought that some of this would have trickled through. Indeed, you could say that the careers big companies offer have never been brighter, salaries never been higher,



mean having a balanced life with plenty of time for family and friends, to their own rhetoric, companies promise responsibility, training and job flexibility on a scale inconceivable a few years ago. There is, of course, another expla-

nation. It could be that there is no crisis of faith in managers. It may simply be that suddenly everyone wants to be a management consultant or, failing that, an investment banker. If all those MBAs really do want to work for McKinsey, Boston Consulting Group, Goldman Sachs and all the rest, good luck to them. But if they believe that being a con-

Caring New Labour has much to learn about staff motivation. Its amouncement that the supervisory functions of the Bank of England were to be passed to a beefed-up Securities and Investments Board was a classic example of how not to handle this kind of thing. Even the most ruthless private-

they may be in for a rude shock.

sector company knows that the one sultant or investment banker will thing you must never do is

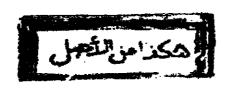
CORPORATE MANAGEMENT CAN BE QUITE SEXY IF YOU PLAY IT RIGHT."



Just in case you missed it, last weekwas National Breast-feeding Awareness Week. To celebrate this, Avent has sent me details of its revolutionary breast pump.

I was about to file this information in its rightful place when I noticed this quote from an American woman: "The great thing about the pump is its quietness. I pumped in meetings and no one had any idea.

That this woman feels she could not get 10 or 15 minutes of privacy is: sad. That she boasts about working and pumping at the same time is pathetic. What does she mean, no one noticed? Didn't they wonder why she had her arm and a plastic contraption shoved up her shirt?



Anthridgesti in PER SER

Copie prezue a rite enche

--:

1.285

MANAC Media and

BUSINESS EDUCATION

Victoria Griffith investigates business schools that put their money where their mouths are

Expensive way to learn

ost business school students content themselves with pretend money when learning about the world of finance, but a growing number are demanding - and getting - real funds for their classroom pursuits. The University of Texas

launched its \$3m (£1.8m) fund last year, MBA candidates at the University of Iowa run a \$200,000 book; and students at the University of Wisconsin manage a \$1.5m portfo-

Cornell University hopes to be next to join the real money crowd with a multi-million dollar studentrun fund. Charles Lee, finance professor at the school, says he is talking to several big money managers about participating in the experiment and hopes to finalise terms over the summer. The students' funds do not fully

reflect the real life world of money management. They are not offered on the open market: the money usually comes as donations from alumni and private companies. During the summer months, when the classes are not in session, the funds are largely ignored.

As an educational tool, though the students' learning experience is significantly enhanced by knowing that their decisions have real-life

The reality of it creates a cer-



tain pressure," says Beth Schulze, who participated in the University of Texas programme and is about to take a job as an investment manager with the Texas firm Sayez Sarofin. "You pay much more attention to it.'

The real money programmes offer a fuller experience than simulations because students have to fill out forms and carry out the deals through brokers. There is also an important inter-personal

element to managing the MBA funds. Students are forced to "sell" their ideas to colleagues, professors or outside investment advisers. This experience, say participants. helps build up important client relationship skills, and gives them a leg-up over other job applicants

when they graduate. Yet the funds do have drawbacks. For one thing, not all MBA candidates are allowed to participate: universities select top finance students only. At the University of Wisconsin, for instance, just 15 of 500 students are involved:

The funds are also expensive to run. Although the students are not salaried, computers and trading commissions are costly and the funds lack the economies of scale to make these expenditures easy to swallow. High overheads and inexperienced students mean the funds tend to underperform the market

Students complain of investment restrictions. To minimise risk, funds at the University of Iowa and the University of Texas follow stringent rules. Students must also get approval from outside advisers for any significant shift in the port-

Lee, who is hoping to use the Cornell fund as a test laboratory for his investment theories, says he plans to keep a tight rein on his students as well, and will personally review all trades.

Students running the University of Wisconsin funds enjoy the most flexibility. They can invest in options, for instance, and do not need the approval of a professor or outside adviser to make decisions. Yet that independence also car-

ries a price: students lost nearly all the money in one of the funds during the 1987 crash, by selling into the downturn. Fortunately, the second fund looked for buying opportunities and performed well, allowing the university to maintain its overall portfolio.

"Sometimes I do worry that the money will run out, but to get the true experience of the market, you have to let them make mistakes," says Mark Fedinia, the professor in charge of the University of Wisconsin funds. "The students who lost all that money during the crash probably had a more valuable experience than any other class."

NEWS FROM

First professor of knowledge

America's first professor of knowledge has been appointed at the Heas school of business at the University of California, Berkeley. The chair has been endowed jointly by Fuji Xerox and Xerox Corporation to the tune of \$1m (£600,000).

The job has gone to Ikujiro Nonaka, specialist in knowledge creation and dissemination in the workplace and author of The Knowledge-Creating Company, which studied innovation in Japanese companies. Haas: US. 510 642 8228

Management art for legal eagles

Lawyers who want to learn more about management will be soon be able to study for an MBA for lawyers, a course run jointly by Manchester **Business School and the** law faculty at the

University of Manchester The part-time course will combine Manchester's MBA programme with lectures and projects which

demonstrate the application of good management practice in a legal environment. MBS: UK. (0)161 275 6833

Knees-up for Spanish MBAs

Alumni from lese, who are now working in Europe, will have their first organised reunion in

Barcelona on Saturday. The school is expecting nearly 300 MBA graduates to attend from 20 countries. Topics on the agenda, all to be discussed in English, include new approaches to retailing. the implications of European monetary union. and business and the Iese: Spain, 3 204 4000

Global dean at Chapel Hill

The Kenan-Flagler **Business School at the** University of North Carolina at Chapel Hill has promoted John Pringle to the new post of associate dean for international programmes Kenan-Flagler: US, (919) 962

MONDAY ACCOUNTANCY

MANAGEMENT ACCOUNTANT

Media and Communications Group based in Newbury, Berks c.£30,000 + Benefits

Our client is a profitable and old established family controlled group with extensive interests in niche markets within the media and communications sector. Existing group businesses are expanding and further controlled diversification is planned, both organic and by acquisition.

This is a new position, reporting to the Group Managing Director with responsibility for developing and implementing a comprehensive performance measurement system.

The Person

- Appropriate professional qualification ☐ Significant performance measurement
- experience in both a manufacturing and a service environment

Search & Selection Limited

☐ Specific planning, development, installation and delivery

Team player with good presentation and communication skills ☐ Sound IT and PC skills

Applicants should write in the first instance, quoting ref. no. 1463, to Roddy Webb FCA, Managing Consultant

Kidsons Impey Search & Selection Ltd 29 Pall Mall, London SW1Y 5LP Fax: 0171 976 1116

E-Mail: 106141.3404@Compuserve.com.

ASSISTANT FINANCIAL CONTROLLER

Based near Peterborough

to £30,000 + Car + Benefits

Ethical Holdings plc is a global pharmaceutical group which develops innovative pharmaceutical products across a range of therapeutic areas incorporating advanced oral and transdermal drug delivery technologies. The company has operating subsidiaries in the UK, Sweden, USA and Argentina and is pursuing growth through acquisition. Already quoted on the NASDAQ stock market, a London listing is imminent.

- Prepare the group's quarterly consolidation for external and internal reporting purposes
- and US S.E.C. filings Assist in setting up and monitoring group financial systems and controls, including cashflow reporting

Assist with the preparation of UK statutory accounts

- Address financial reporting issues for group
- companies, including liaison and local visits Supervise holding company accounting matters
- The Person
- Probably an ACA, with minimum 2 years post qualification experience
- An international perspective, able to recognise and respect different cultures
- Diplomat with strong communication skills
- Works on own initiative and responsive to
- demanding deadlines
- Capable of developing into a Financial
- Controller/General Manager role

To apply, please write enclosing your CV to Alan Bentley, Ethical Holdings plc, Stibbington Hall, Stibbington, Cambridgeshire PE8 6LP

Management Accountant

LONDON

PROPERTY DEVELOPMENT

c.£30,000

ТНЕ СОМРАНЪ

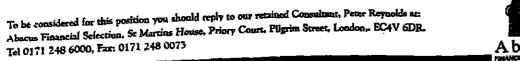
This highly successful. City based Property Development company, has recently established a joint venture with a major overseas group to implement the construction of a high profile residential and leisure project. This new company now require a commercially minded individual to take on a challenging new role within their expanding finance function.

THE ROLE

- Establishing reporting requirements for the Board of Directors Implementation of fully networked accounting system
- Responsible for recruiting and supervising a small team
- Monitoring management accounts, cashilows and project cost varance analysis
- EReporting to ED.

THE CANDIDATE ■ Recently qualified CIMA/ACCA

- Construction and or property development project experience preferred ■ Technically strong with in-depth management accounts
- Highly motivated and committed to succeed
 - in a demanding, commercial role





For more details on this, weekly Accountancy section please contact Keeley Pope: Tel - 0171 873 4015

VENTURE CAPITAL

NW SURREY CIRCA £34,000+BENS

Our client is a highly successful firm of venture capital advisors, which maintains an active involvement in all its client companies.

Seeking a Qualified Chartered Accountant, preferably Top 20 trained with 3-5 years PQE, to assist with due diligence on acquisitions, and forecasting for and ongoing monitoring of portfolio companies. Some previous exposure to corporate finance work is preferred but is not essential.

The individual should be bright and personable, capable of clear thought in complex situations and have a conscientious attention to detail. Additionally, the individual will be self-motivated, enjoy responsibility, variety and interest, and be prepared to travel to companies and contacts mainly with the UK.

We are a small, dynamic team, with a very friendly working environment, where hard work and success are

Interested applicants should send a full curriculum vitae to Steven Torode at:

12 Church Mews, Claremont Road, Laindon, Essex SS15 5QJ. Telephone: 01268 415294.

Interviews held in Surrey or London.

FINANCIAL CONTROLLER

Hemel Hempstead Circa £34K + benefits This challenging opportunity will appeal to a young, ambitious, energetic, newly qualified

Maxon Europe distributes professional radio communication products manufactured by Maxon Electronics, our Korean parent company,

Leading a team of five in the UK, you will take charge of all financial aspects of the company cluding the production of consolidated anagement accounts, year end statutory

Reporting directly to the M.D., you would join the senior management team, influencing the commercial decisions for the U.K. and our subsidiaries in Paris and Madrid.

nterested applicants should apply by sending a c.v. and nand-written covering letter to: Penny Waterfall, Personnel Manager, Maxon Europe Ltd., Maxted Close, Hemel Hempstead, Herts. HP2 7EG.

FINANCIAL CONTROLLER/ **MANAGEMENT** ACCOUNTANT

CIRCA £30,000.00 + CAR

Hampshire

Very successful international trading and marketing company in the automotive industry is now embarking on the next stage of a planned expansion program and as part of this requires for the first time an in house professional to control and report on all aspects of its financial affairs.

This is a hands on role probably best suited to a young energetic ambitious finance professional with a flexible approach who is prepared to get involved with all aspects of the company's business.

Please apply in writing with full CV to:

Park Lane (UK) Ltd Alton Business Centre Omega Park Alton, Hants GU34 2YU

BUSINESS EDUCATION

IIII IESE



IESE and the University of Michigan

Take your **company** one step ahead.

Global Program for Management Development

Barcelona, Spain - June 29 - July 11, 1997

GPMD is a two-week, highly compact general management program that targets key issues businesses face in today's global marketplace such as market orientation, people management, innovation and new product development strategy, value-based corporate financing, corporate performance measurement and globalization strategy and implementation.

IESE and the University of Michigan, two of the world's leading business schools, will collaborate for the fourth consecutive year to offer this unique program for general managers, country managers and other senior executives involved in developing global strategy for their companies.

wing details to either IESE or the University of Michigan:

Relations, IESE, University of +343-253 4343 • e-mail,

of International Corporate Director, University of Michigan, Business School, Executive Education Center 08034 Barcelona, Spain; Ann Arbor, MJ 48109-1234; phone +343-253 4200 • fax phone 1-313-763-1003 • fax 1-313-764-4267

Water (MC/Mbs/Or.)	
Company	
Postal Code	Country
Telephone	Fag
red	



PRESTON UNIVERSITY Wyoming, USA

BBA, MBA, MS, PhD Business Administration • Computer Science

Distance Learning (No classroom study) · Accredited · Licensed by State Dept. of Education Member of several professional associations
 Student Loans - Scholarships Also on-campus programs at Cheyenne campus in USA.

and at 22 affidiated centers in four continents PRESTON UNIVERSITY

Dept. FT 597, 1204 Airport Parkway, Cheyenne, WY 82001, USA Tel: +1 307 634 1440 - Fax: +1 307 634 3091 Home page: http://www.wyoming.com/~preston E-mail: preston@wyoming.com

DAMN! I'M AT THE PEAK OF MY SPENDING POWER AND HIE FORGOTIEN

WHAT I CAME TO THE SHOPS FOR

Baby boomers get the message

Alison Smith profiles a discriminating and poorly understood class of consumer

were listening to enjoying the Sixties after growing up in post-war of spending on goods and austerity. Now, 45- to 55year-olds in the "baby boomer" generation are ingly insecure society.

comes from a study based on where they were questioned qualitative research into the but also about the most attitudes of this group across 16 markets, including the cate with them. US, Japan, Australia, the UK, and several countries in reaching the boomers are continental Europe.

messages for those seeking amount of leisure time at to address this group, whose home, and though they spending power outstrips its regard radio as more reliable numbers. In the UK, for than TV, the lack of "grown example, it makes up 14 per up commercial" stations

hirty years ago they accounts for almost one- advertising. quarter of household expeners" account for 20 per cent services, while in the US the figure is 17 per cent.

Jane Gwilliam, the author looking at their circum- of the report, says there is a stances and worrying about striking similarity not only growing old in an increas- in the cares and concerns expressed by the boomers That general conclusion across all the countries effective ways to communi-

television and newspapers. It carries strong marketing They spend a substantial

Most still take at least one the Beatles and diture. In France, the "boom- newspaper a day, and are more inclined to pay attention to press advertisements than to inserts and fliers.

While fliers and "junk mail" are likely to go straight in the bin, the group seems to have a more positive attitude towards catalogues. The study concludes that may buy the product with-

neither cinema nor sponsorship is particularly effective brands, for boomers brand in marketing to boomers. names are only as valuable That is partly because they as the goods and services The prime media for spend so much time at they represent and are likely home, but also because they ridiculed by the young. attitudes towards brands, as expressed

boomers do not like being in the study, are in sharp patronised by advertising contrast to younger people's According to Gwilliam, the views. Gwilliam says that boomers grew up with televi-

the brand name itself, and

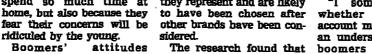
out thinking about other

evolve to become more sophisticated. They are therefore more discriminating and more alert to subtly patronising overtones than young people.

ROVER

BEALE

"I sometimes wonder whether a 30-year-old account manager really has an understanding of what have gone



Connecting with the Baby Boomers, Research Internacent of the population but makes it less relevant for while young people value sion and saw advertising tional (0171 656 5000), £200.

Ad in the News · The RAC

'Documercials' run into hazards

RAC ads in these pages before they appeared. But I'll bet none of you has made it to the end of one of the 150-second "documercials" unless you are a masochistic connoisseur of pretentious advertising.

Each ad contains a series of talking beads, from a Japanese technology expert to US science fiction writers and a Henley Centre

The heads are filmed against futuristic cities and transport. They speak ponderously, as if to imply that what they're saying is significant. But take an example of just how deep they are: "The future will be like the present, only more

If the ad had turned out to be for Microsoft or Greenpeace, perhaps we could accept it. Instead, what we get at the end is the RAC's new

from recovery to the "future of mobility". [Nor does it] give potential RAC customers any encouragement to find out more

The campaign does not explain the leap

logo (a straight lift of NASA's) and improving reliability of cars, and the laughable line: "Welcome to the future in motion".

Let's be charitable. The RAC's arch-rival, the AA, has conducted one of the most remarkable campaigns of the decade.

The scale of this success has left the RAC scrambling for a response. Add to that its belief that the traditional breakdown market is in long-term decline because of the

you can see the problem.

So, the RAC has dropped the "Royal" association, stolen that NASA typeface, and eschewed recovery. The brief from its iconoclastic marketing director. Jan Smith (track record: First Direct, TSB, Mazda), was: "Own the future of mobility".

Client and agency believe the "controversy" these ads have

inspired is half the job done. But it's not just that the

advertising doesn't explain the leap from recovery to the "future of mobility", it doesn't give potential RAC customers any encouragement to find out more. There is no involving warmth or

humanity about the ads, again in marked contrast to the AA's work. A £4m advertising spend is not insignificant, but it is not enough to allow consumers to understand the complete message.

You may have seen grey-on-grey posters offering £25 "no call out" discounts which bear no relation to the television advertising. In short, it all adds up to the

clearest case of an "emperor has no clothes" ad campaign we've seen in

Stefano Hatfield The author is editor of Campaign

Winston Fletcher · Commentary

Products pilloried

in the wake of sweets. Labour's massacre of the opposition any advertising for products which somebody, somewhere deems pernicious will be pilloried. You don't need to be an oracle to read the omen; cigarettes and alcopops have already been fingered. There will be more.

Prohibiting antipathetic mote drinking, and so on. advertising is a nice, easy, and seemingly cheap way for well-meaning politicians to earn brownie points. But the costs to society - though they may be hidden - are unquestionably high; and the effectiveness of such bans - as a new study convincingly shows is highly questionable.

First, the concealed costs. Though the prohibitionists never seem to recognise it, those who suffer most when advertising is killed off are not the products' manufacturers but the media. The concealed cost endangering the existence of weaker

Outlawing the advertising of entire product sectors makes it all but impossible for manufacturers to launch new brands. The concealed cost: minimising consumers' knowledge of beneficial product improvements.

Moreover pole-axing the advertising of legally acceptable products is a determined step on the road to political interference, not to say political control. The concealed cost: a reduction in consumers' freedom of

Nor does it make logical or economic sense to allow companies to make and sell products, but not to advertise them. The concealed cost: wasteful and inefficient mar-

However advertising's antagonists have ridden roughshod over these concealed costs, declaring them to be insignificant when to be gained. Sheer common must make people smoke. make people drink, confectionery advertising must

smoking, the advertising of alcohol brands need not pro-

The association - which does, or does not, increase the size of markets.

Does Advertising Affect Market Size? masterfully written by Dr. Simon Broadbent of the Brand Consultancy, should be read, marked, learned and inwardly digested by everyone with the remotest interest in how advertising really works.

he principal finding is that the question "Does advertising affect market size?" cannot be answered until the market in question is defined.

Take, for example, pre-mium lagers. The advertising for a premium lager brand will, it is hoped, expand its sales, which may to a lesser extent expand the whole premium lager sector, which may to a still lesser extent expand the total lager category, which may though this is increasingly unlikely - expand total beer consumption, which may though this is extremely unlikely - expand total alcohol consumption.

There is no likelihood whatsoever of an expansion in the total consumption of drinks of all kinds.

It is therefore possible to define the "market" in which the brand operates at compared with the benefits five levels: premium lagers, all lagers, all beers, all alcosense, they argue, dictates bolic drinks, all drinks. And that cigarette advertising as the hierarchy rises the effects of the advertising fall. alcohol advertising must inversely, from significant to

However the extent to Delaney Fletcher Bazell

ark my words: make people eat more which the ripples from a brand's advertising extend These arguments have into the larger, ever more dogged the advertising busi- embracing market groupness for as long as I can ings, varies from product to recall But the Advertising product. As with drinks, Association has carried out every product group can be an important study which subdivided into small marunravels the paradox of why ket sectors. These can be the advertising of cigarette aggregated into market catebrands need not promote gories, which in turn can be aggregated into "markets".

The number of layers in this hierarchy of sectors, categories and markets also represents all three legs of varies from product to prodthe advertising tripod: the uct. Using the Institute of advertisers, the media and Practitioners in Advertising the agencies - commissioned Effectiveness Award case the study to investigate histories, Dr. Broadbent whether brand advertising shows how brand advertising for Sanatogen Multivitamins increased the market lis just published report, for all vitamin products, but not the market for medicines; and the advertising for Dulux Natural Whites increased the sales of all white emulsions, but not the sales of all paints. (Just two examples from a plethora detailed in the study.)

So the advertising for a cigarette brand may well increase the brand's sales, and even its sector's sales, without affecting total cigarette sales. And the same would be true for a brand of alcohol, or a toy, or a food product. There is nothing inherently self-contradictory about this, and it applies not just in contentious markets like cigarettes, but in all markets.

e seite di

may 🤰 - 🌺

(1) 特别

The same of the sa

1 15 25 . 44 11 15 25 . 44

二二二字 🥌

- 1 A of the second

and the second

The State of the S

of Tables

· : 3549 22-16 (4)

-to relative to the control of the c

The state of the s

io spe

m Jackson • O

Dawn o

n ota tab<u>en</u> 7

Congress of

The attended

120

34 **€** -2 MAP

The Market State of the

The same of the sa

1

ip.

.....

Time for

ny god

· : *

Indeed you will quickly see, being devoted newspa-per readers, how it works for newspapers. Advertising for the Financial Times should, it would be hoped, increase the sales of his great newspaper; and the advertising might - just - increase the total sales of all quality

But even the most optimistic of publishing companies would not expect the advertising of one newspaper to increase total newspaper readership and grow the entire newspaper business. Does Advertising Affect Market Size? Dr. Simon

Broadbent, Advertising Association Information Centre (0171 828 2771). £10. Winston Fletcher is chairman of the UK advertising agency

THE WEEK AHEAD

EMU:

The single currency explained in a single guide.

The FT Guide to preparing for EMU: Wednesday, May 28.

From the profound implications EMU will have within the major European economies to an in-depth analysis of how companies of all sizes will be affected, the FT Guide has all the answers.

> FINANCIAL TIMES No FT, no comment.

Reed int 9.475p Repeat Offering Sec Entry Fdg No 1 Class A1 Hapital Claims 9-8: Bury 195 No. 7 Casa An ist Asset Belad FRN 2001 \$827.70
Do (b) 2848.91
Do A2 (b) 51404.22
Do A2 (b) 51404.22
Do A3 (b) 51414.11
Do A3 (b) 51414.11
Do A5 (b) 5147.62
Do A4 (c) 51458.61
Do A5 (c) 5150.42
Do A5 (c) 5150.42
Do A5 (c) 51502.47
Do B 51730.56
Sanyo Bac FRN 1998 Y18638.0
Sanyasias 3.45p
Tokyo-Missabinti Int So FRN 2000 \$14215.28
United Assurance 12.5p
Vero 3.8p
Vero 3.8p
Veropas Baroling FRN 1998 £15.24
Wilson Bowden 8p

DIVIDEND & INTEREST PAYMENTS

Abbey Nati Sterling Cap 874% Sb Glat Bots 2004 237-50 BG 9.5% Bots 2017 \$4750 BLP 3.5p 라 N Rws 2010 대 375 2005 SS2.50
First National Building Society FRN 2000
\$1464.04
BN Great Nordic 5.5% Cv Bds May 26
DNG5.50
Holdsat Technology 4.5p
Karry IR2.65

23750 Saway Hotel 'A' 17.5p Do 'B' 8.7p Sincere Navigation 3,75% Bde 2003 \$375

Air Products and Chemicale 595 8Ae Finance 8% Nits 1997 8800 Benfield & Rae Inv Tet 0.7 Boossy & Hawkes 7.43p Bristol & West Bidg Schy FFIN 1998 51583.15 Bristol Fillings 2.85p Carties 5.5p Chase Manhatten Sb FRN 2000 \$142.15 CS First Boston Finance Gtd Sb FRN 2003 Fujita: Inv Co FFRN 1998 \$1468.85

Graseby 3.9p Housing Finance 11.5% Deb 2016 55.75 lostand Group 3.5p Intec 6% 183 1999 Y800000 Lloyds Benk Series B Verleble Rt Sb Nas

2 Australia Finance Gtd Fxd/FRN 2008

Same Annua Aruba Gld Sb Perp FFIN Same 1 S795.12
Scrubs 3 5795.12
Scrubs 7 Stough Estates 10% Bds 2007 £100
State Secretify Commission of Victoria 10.5% Gal Mts 2003 A\$105
That-Euro Fund Parig \$0.225
Light Talevision 2,850
Wells Fargo Sb Cap FFIN 1998 \$143.75

WEDNESDAY MAY 28 dvanced Power 0.4p no Wiggins Appleton 4.8p Aner C.ep Bridgstone 74% Std 1998 Y725000.0 Do 74% Std 1999 Y725000.0 Do 74% Std 2000 Y725000.0

Do 7 www bit 2000.0 Britton 1.98p Calestreed Robey 1.75p Do A NAVig 1.73p Capital Inde 3p Cash Conventers Int Units A80.013 Chartol I China 8.7p Chrouni 3,27p leiphi 4p Januarik FFRV 1996 £148,35

Avonaide 1p
Bank of Sect 99/96 Non-Cm Ind Pf 4.826p
Do 9449 Non-Cm Ind Pf 4.826p
Do Und Var Rate Na 9184.31
Caldwell Inne 0.8p
Calphal Corp 6p
Cater Alen Gilt & Fed Inc Pd Pig Pf (Gilt Ind) 9p
Do (High Yld Gill) 20p
Chase Mushettan Sh FFN 1997 \$145,35
Coolaon 4.7p
Corporate Services 3p
Dattortach 4.2p
Dattortach 4.2p
Dattortach 4.2p
Doeflex 6.2p
Dumyagi inv Tat Cv Minthly Div (0.49p
Barnoc Dual inv Tat 1.65p
Rare 1p
Plaming Richerd Matherlands Prim Cap 6 Plenning (Robert) Netherlands Prim Cap FRN \$308.49

III THURSDAY MAY 29

Q3 Stap Degenham Motore 5.5p Invesco Cv Tst 2.1p Kode Int 1.75p Lapore 15.75p Maclariane (Clansment) Malden 3.6p

MacApriane (Clarisment 2.62)
Macion 3.6p
Nelson Husst 5.75p
Parisas French Inv Tet 1p
RAP 0.9p
Scottish TV 13.2p
Sottleya A Lim/Vig \$0.10
Williams 9.25p

IN FREDAY MAY 30 ASN Amro FL0.60 Aegon FL1.61 Albright & Wilson 4.85p

Bank of Mo

Hilling 1.5p

Betterware 11.83p Calingom Bidg Scty inv Ter Units 25p

Gentmore Venture Cap Tat 1.7p Gestred Inc Inv Tat 1.7p Do Inc 1.7p Glangow Inc Tat 0.6p Global 0.44p Great Western Fin \$0.25 Group Tat 1.17p Hare 3n rays 3p Hemigrapy Prope 0.385p Hemigraph Blac & Gen lov Tot 10%% Db 2011 25.375 Homeloons (No 2) Classe A1 Mig Bole) FRN 2028 272.15 2029 C72.15
Do Class A2 C159.31
Do Mayz C173.27
HTV 2.75p
Hunting 846% Cn Cv Pf 4.125p
19C 8p
RF IR1.82p

Oliver Ashwo Partoo 5.5p Persona 4p Quintain Estates & Dev 2p Raclovood Mineral 2.3p Ragby 6td FRN Aug 1997 \$14510.58 Do Gtor FRN 1996 \$14610.58

Severfield-Reeve 3.bp Standard Chemered 10.25p State Dec Comm of Victoria 124% Gld No. 2001 AS122.50 Stoddard Belens 4% Cm Pf 2p 2007 ASTEZ.SU Skotderd Selvers 4% Cm Pf 2p Skotderd Selvers 4% Cm Pf 2p Skotderdfield 4.3p 3 hr Sed FRN 1939 E160.50 Tibbett & Britten 12p TIAC PINNES Sth Fin Ins No 6 Aug 2028 FRS 184 Text. Presss cer inn he No 6 Aug 2028 236.81 Do 4th Fin les No 1 Aug 2031 235.16 Do 7th Fin les No 8 Aug 2031 235.16 Do Class & Res No 8 Aug 2031 2174.13 TR City of London Text 1.54p T & Storres 4.75p

E SATURDAY MAY 31 Missens 7%% Cv Pt 3,875p

Do 31/2% Cv Sb Ln 2007 S Automotive Precision 3p Burdans Inv Tat 1.25p Do 316% Cm PP 21.75 Bristol 11 Web Rd 2008 E5. Cupital & Counties 6%% 1 2000 E3.4375 Clayhithe 81/196 Sb Cv Un Ln 2000/01 \$4,75 Co-operative Bank 916% Con-Cm Intel Pt 4.825p
Dunlop Plantations 6% Pt 2.1p
Edipus Blinds 2p
Penning Geared into 8 Assets Inv Tat 6.3-13.3% Ptg Pt 6.85p
Penning Technology 0.25p
Gestmore British Into & Growth Tat 2.25p
Do Units 2.25p
Goodhead 7% Cv Pt 3.5p
Hydro-Ousber 15% Ln 2011 27.50
Johnson Pty 2p
Lands Improvement 3p
MBL Int Fin (Banucha) 3% Each Glot Nis
2002 \$15.00
MBdLand Bank 14% So Un Ln 2002/07 27.0
Maland Bank 14% So Un Ln 2002/07 27.0 arau nd Bank 14% St. Un Ln 2002/07 67,0 Midland Bank 14% St Un Ln 2002/07 57.0
Palement Zochents 7%% On Pt 3.75p
Do 10% Cm Pt 3p
Peet 51% Cv N/Ng Pt 2.825p
Peet 51% Cv N/Ng Pt 2.825p
Royal & Sun Aliance Ins 71% Cv St Bd
2006 C36.25
Senting Publishing 6% Cv Rd A Pt 2000 Sp
THFC (Inded 2) 5%% L 2024 22.933
TT Fin 11% Gad Db 2016 D6.65625
Than 8 Liye Cv Pt 3.825p
Thospirerton Tat 12%% Db 2010 56.15625
Thospirerton Tat 12%% Db 2010 56.15625
Trust Union Fin (1981) 5%% Db 2008
24.0625

I SUNDAY JUNE 1 American Gen \$0.35 Britannia 0.5p Catar Alea 596 (2m Pl 1.75p) Do 4.2% 2nd Cm Pl 2.1p Feming Ine 3 Cap Inv Tet 1.55p Do Units 1.55p Feering Mercantile Inv Tet 43696 Perp Do \$2.150 Foreign & Colonial lay 1st 44% Pero Db 92,125 General Cons Inv Tat 41/46 A Cm Pt 21,4875 Genfinence 11,46% Ln 2007 257.45 Govert Oriental Inv Tet 5% Cm Pt 1,75p Greet Portland Estates 91/4% Cv Un Ln 2002 24.75

Great Portland Edition 99/4% Cv Un Ln 2002-94/75
Harriston Inv Tet 39/46 Cm Pf 2.625p
Do 39/6 B Cm Pf 2.69
Eingworth Middle 79/6 Mon-Cm Pf 1.225p
Kirldese 11.89/6 Rd 2021 55.80
Law Enberture 44/9/6 Db 22/5
Do 79/6 Cons 50/75
Murary Straffer Aldes Tat 4.19/6 Cm Pf 2.05p
Construct A Cueboc Flavy 59/6 Parm Db 52/50
FSPH 49/6 Cm Pf 1.4p
Do 39/6 Cm Pf 2.8p
Repair 49/6/6 Cm Pf 49/1.575p
Do 59/9/6 Cm Pf 2.8p
Repair 49/6/6 Cm Pf 49/1.275p
Wer Losn 31/9/6 Cm Pf 1.575p

UK COMPANIES

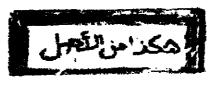
TODAY
COMPANY MEETINGS:
Chepstow Racecourse, The Rec
Chepstow, 12.00
III TOMORROW IL TOMORROW MEETINGS; CAA, 1, Paris Gerden, S.E., 11.00 Capital Industries, Butterfy House, St Noots, Huntingdon, Cambridgestine, 11.00 Herriseas & Crostined, Glaziers Hell, Montague Close, S.E., 12.00
Lenea/Narthy, Grosvenor House Hotel, Park
Lane, W., 2.00
MacAmbare, Merchands House, 7, West
George Street, Glasgow, 12.00
Tadpole Technology, Trinity Centre,
Cambridge, Science Pk, Milton Rd,
Cambridge, 10.00
DOAPO METHYSS:
Physic Salf Grp, Milcoles IT, OME Intl., Smith
Jerney Estates
Interiors: Cambridge Antibody Tech, Care
UK, MicLeod Russel Hidge, Scottish Invet
Tst, Smatt IJ Bistains ntague Close, S.E., 12.00 at. Smart Lil Bet. Tat, Smart LJ Setzlag 2 WEDNESDAY MAY 25 COMPANY MECTAGS: Settlerware, Stanley House, Park Lene, Coste Vale, Berningham, 10.00 Citation Carde, Crystal Bullding, Languion Road, Loughton, Essey, 10.30 Dagamham Motors, Ford House, New Road,

Degenham, Essex, 12.00 Hapworth, Institute of Directors, 116, Pall Mail, S.W., 12.00 Johnson Poy Hidgs, 20 Regent St, SW, 10.00 her, The Dorchestor, Perk Ln. W. 11.00
London & Manohester, Ferners & Fletches'
Hall, 3, Cloth Street, E.C., 12.15
MTL Instruments, Power Court, Lutun,
Bediordehire, 4.00
Mose Brow, 8, St. Johns' Ha, S.W., 10.30
Mose Brow, 8, St. Johns' Ha, S.W., 10.30
Maste (Williams), The Gatahicuse, Creyfields
Ind Pk, Marr Rd, St Pauls Cray, Nart, 2.15
Oliver Group, Marryfield Road, Brauretone,
Lelosster, 12.00 12.00
Rolls-Royan, Cluster Sizabeth II Conf Contro, Broad Serickumy, Westerinster, SW, 11.00 Royal Desiron, Murton House, London Road, Stote-on-Treat, Stationahire, 12.00 Wildlier Genealest, All March 180

Interins:
Aldens, Cellech Grp., Foreign & Col
Errorging, Kelsey, Koelek, PWS Hidge,
Wolx. & Ductley Breven.
III THURSDAY MAY 29
COMPANY MEETINAS:
African Laines, 478, Webeck, St. W. 11.30
BSG lett, National Montroyele Museum,
Coventy Rd. Bickerhill, Solitud, 11.30
Bettisch-Bornee Petrelesen Syndicate, 4.
King's Arms Yard, E.C., 12.00
Globel, Butchers Hd., Bertholomey Clane. EC, 11.00 Liborty, Saddierr' Hot, Gaster Lr., EC, 12.00 MALD., Inst of Dirs, Pall McIII, SW, 11.00 Moggitt, The Sevoy Hotel, Strand, WC, 12.00 Rebeyold, 30, Furnhed Street, EC, 10.00 VCJ, Royal Automobile Club, Pall Med, SW,

4

C.4.8 Publishing Co, M & G Grp, Richards, Stalds, United Drug III FRIDAY MAY 20 COMPANY MSETINGS: ASW, The Cadogan Hotel, Storms St, 12.00 Astaley Q.asard, The Browny, Chinnell St, C.2.20 es Service, 210, Azec West, oroust Service, 210, Amer West,
Almondsbury, Bristol, 330
https://bury.bristol.230
https://bury.bristol.250
https://bury. Yorkships Wester
Interfune:
Response, RCO-Hidg
Company meetings are around general
meetings unless obstavation stated.
Please note: Payonts and accounts are not
normally evolutio until approximately-sismetics after the board meeting to-beprove the
proliminary results. The list is not reacceptedly
comprehensive since bempanies are no
longer objects on only the Stock Biochange
of intrinsing amountaments.







Recycled rock finds a niche

Back catalogue has staged its own comeback, writes Alice Rawsthorn

regained control of the master tapes, or original recordings, of the 18 albums he made in the 1970s, including Ziggy Stardust and Aladdin Sane, they were valued at

Ten years later, he has sold the rights to distribute those albums, and seven more recorded in the early 1980s, to EMI Music for a rarely less than \$800,000. \$32m (£20m) advance. EMI plans to re-release the albums from autumn

companies are busily recycling other rock legends: • PolyGram is issuing a erally need far less than for bexed set of The Jam's an unknown act. Otherwise, albums next week, 20 years the only investment is in after In The City, the punk manufacturing the compact band's first single, came out. RCA plans to mark the 20th anniversary of Elvis Presley's death in July by issuing Platinum - A Life In

 Universal Music plans a series of releases following its acquisition this year of

Music, a compilation of 100

David by Jimi Hendrix, the cele- one of PolyGram's best-sell-Bowle first brated 1960s guitarist.

Back catalogue, as the music industry calls old recordings, has always been highly profitable, largely because the costs involved are negligible.

Releasing new albums requires hefty investment in recording, marketing and subsidising touring costs. The bill for launching a debut album in the US is Few of these costs are

incurred when selling back catalogue. Record companies may pay for some advertis-Meanwhile, rival record ing to promote special releases, such as Elvis Presley's Platinum, but they gendisc, now as little as 50p.

> The hitch is that the majority of the \$40bn-worth of records sold worldwide each year are new releases, and few artists have such enduring appeal that their old albums carry on selling years later.

There are exceptions, such

ers, and Elvis Presley, whose classic 1950s and 1960s albums still sell millions of copies a year. Similarly superstar groups, such as PolyGram's U2 and Warner's R.E.M., generally benefit

from healthy increases in catalogue sales to the new fans they attract by releasing new albums. Recently, rock legends have become more popular. The highest-grossing US rock tours in recent years have been by 1960s and 1970s veterans, such as Kiss, the

he next comeback contenders are Fleetwood Mac, who plan to tour after this autumn's release of an acoustic version of Rumours, their best-selling 1977album.

Rolling Stones, Pink Floyd

and the Eagles.

The success of these acts reflects the broadening demographics of the music market. The teenagers who bought their records and concert tickets in the 1960s and 1970s, are now buying them again as affluent

adults in their 30s and 40s.

What a record company really likes is for an established artist to attract a new generation of young fans, as The Beatles have sold more albums released in France to than 40m albums for EMI commemorate the 10th anniversary of the death of the since the launch of the first of three Anthology albums

The Beatles are exceptional. Not only did they enjoy a rare combination of critical and commercial success, but the brevity of their eight-year recording career. coupled with John Lennon's early death, has imbued them with a mythic stature that eludes their peers, such as the Rolling Stones, now preparing for yet another world tour in their 50s.

two years ago.

Other rock revivals may be smaller in scale than the highly profitable. The Jam are cited as an influence by so many contemporary British artists, notably Noel Gallagher of Oasis, that Poly-Gram hopes to sell its 20th anniversary boxed set to young Britpop fans. PolyGram had an unex-

pected windfall in the US last year when Danny Goldcury label, noticed that hip record stores in New York and Los Angeles were importing the compilation

singer, Serge Gainsbourg. Mercury issued the album in the US too, and sales of Gainsbourg's back catalogue have since risen steadily. RCA has loftier ambitions

for its Elvis Presley Platinum boxed set, part of a plethora of 20th anniversary events including the opening of an Elvis-themed restaurant in Memphis, and a series of US television spe-

Behind the scenes, ICM, the Hollywood talent agency, will be negotiating media and merchandising deals for its new client. Elvis Presley Enterprises.

EMI has yet to finalise its plans for the David Bowle catalogue, which includes thousands of hours of unre leased material. It has 15 vears to recoup its \$32m before the contract ends and David Bowie auctions off his musical past again.

MARKETING

Orchestras aim to pass the baton

Victoria Griffith finds demographics transforming a classical performance art

he lights dim in the concert hall of the Colorado Symphony Orchestra, and the audience falls silent. Conductor Marin Alson raises his baton to direct a piece by composer Scott Bradley, and over the performance stage a camera image is projected. Tom and Jerry, the famous

What are Tom and Jerry doing at a classical music performance? The symphony orchestra hopes they - and other marketing innovations - will bring in larger and vounger audiences

luo, scamper across the

Symphonies orchestras are not the only US entertainment form facing an increasingly grey-haired clientele. But the demographics of symphonic attendance are

striking. A study of concertgoers released last year by the National Endowment for the Arts found audiences declining for every age group under 50. According to the St Paul Chamber Orchestra, only 6 per cent of its audience is under 35.

An ageing audience eventually means more empty seats. Eight symphony orchestras have closed in the US in the last ten years. Last year alone, the orchestras of San Diego and Sacramento

What's needed, say observers, is a complete overhaul of marketing strategy.

Eugene Carr, president of Culture Finder, a Net information service about the arts, says he realised just how little symphony orchestras have changed when the New York Philharmonic recently presented a concert nearly identical to a performance a century ago.

Previously foreign con-cepts like "building a brand image" "measuring customer satisfaction" and "creating name recognition" are finding their way into

classical music parlance. The Oregon Symphony, for instance, has conducted market research to find out what appeals to its viewers. "Our

problem, it's how it's presented," says Don Roth, director of the orchestra.

To attract a younger clientele, the Oregon Symphony has introduced concerts under a new "brand" name, Nerve Endings. "We did it this way because it lets people know that these concerts will be different from your standard fare," says Maureen O'Connor, in charge of marketing for the

Under the auspices of the new brand, the Oregon Symphony is venturing on to new ground. A February concert featured a corpse in the lobby, cordoned off with police tape. The corpse was a dummy of Mozart, a display designed to create a mood for that night's Mozart programme.

Another Nerve Endings performance featured a Flamenco-inspired classical music programme, complete menco singers, and discounts to Flamenco parties theory is, the music's not the at local night clubs.

A deal to bottle success

If it's expensive, French, and bottles designed for the comes in a bottle, it probably looks the way it does because of two companies, working in very different markets, who are about to celebrate a marriage of convenience.

This week perfume design house Ateliers Dinand seals a deal with Linea, designer of drinks bottles for the likes of Moët et Chandon and

Remy Martin. Both companies are leadmated 80 per cent of fine fragrance bottles worldwide are designed by Ateliers Dinand. But the partnership is unlikely to result in brandy in existence for more than 35

dressing table or perfume packaging that goes pop. The main benefits are organisational rather than creative. The joint venture hopes, for instance, to make use of Dinand's overseas sales force for both companies - most of Linea's busi-

ness is done within France, while 85 per cent of Dinand's is in the export market. The joint holding company will be called Financire Casers in their field - an esti- tiglione SA, but the two companies will remain indepen-

dent, retaining their brand names and separate studios.

years, Linea for more than 20 years," explains Dinand's "There will, however, be

opportunities for involving members of both design teams on, for instance, one perfume project. It also means we could, if necessary, mobilise all 30 designers to work on a rush

Although both companies are at the luxury end of their markets, perfume and alcoholic drinks pose very different challenges, according to Jauffret. "The marketing target is very different.

Judith Gubbay

INTERNET

Time for Europe's extranet

pean Union to allow the expansion of on-line in servers and decentralised communication to continue databases "with local, has been called for by a group of leading media and communications professors.

The group led by Axel Zerdick, professor of economics and mass communications at the Free University of Berlin, believes that the present US-dominated internet creates too much international traffic for local information needs. "Europe should take this opportunity to build a the forces and trends that strong pan-European infra-will shape communications. strong pan-European infrastructure of its own," he

If more people try to use of a high performance net- advertising sales house. lution has yet to reach

he creation of a work lies in a new one with regional, national and international content, to ease and speed up on-line usage in

> 10 theses extracted from the work of mass media and communications academics worldwide, brought together by the European Communications Council, a privately funded body set up to look at

European extranet a reasonable balance of funded by the Euro-pean Union to allow traffic. The EU should invest of the Media Research Insti-Europe."

The proposition is one of The money for the con-

tinuing programme of study is being provided by MGM MediaGruppe of Munich, an

up only 800 merchants to its

system - fewer than the

ments service. No one would

expect to sell credit-card ser-

vices to a customer who is

already at the front of the

checkout line at a supermar-

So the payments compa-

nies need to sign up users of

their service before they are

other council fellows are Percy Tannenbaum, professor of Public Policy at the Silj, director of Research on Media Associates.

Another thesis warns that incorporate all the new services and will implode if used for telecommunications and listening to radio. New backbones, new overlay-networks, intranets and chargwhich will replace the pres-

ent internet. The academics warn that the much-hyped media revo-

between 1 per cent and 2.5 per cent of the population in France, Germany and the tute at Sterling University, UK used it, compared with 5 per cent in the US. European services with

University of California at European content are devel-Berkeley, and Alessandro oping but bottlenecks remain - in particular high prices set by de facto monopolies which limit on-line conthe internet was not built to nections. The US approach of integrating broadcasting and telecommunication regulation is the way forward for Europe, the academics believe.

Exploring The Limits ing methods are emerging Europe's Changing Communication Environment is published in English Springer.

Raymond Snoddy

FTid - The Internet Directory the following companies want you to

All of these can be accessed via hyperlink directly from the Financial Times at http://www.FT.com

know that you can find out more about World Wide Web.

Holiday Inn: EXECUTIVE EXTRAVAGANZA!



Have you registered your company, trade and product names around the world? 300,000+ names are already registered, are yours? Protect Yourself. Register Now

New Packaging Waste Legislation

SeQuoia how your business

Essential information for Company

Secretaries and Directors.

http://ourworld.compuserve.com

Taxawau

The internet's Largest

Email-to-Fax Service

Fax from anywhere in

the world to the U.S. for

only 10¢ a minute!

Reseller Inquiries Welcon

Email: info@faxaway.com

www.faxaway.com

Permitty is a females of str.

FOREX

Read Dave Reed LIVE

World business news from

/homepages/SeQuoia

understanding

is affected?

or E-mail us at EarthCouncil Organisation "ECO" Brains, courage and dedication neede no make this 21st century community reality. You are invited to join blue Every week on a Monday

the FT gives you he chance to advertise you internet site to the FTs influential readers in

in addition at advertisements also appear on FT.Com the FT's internet site.

160 countries worldwide.

As part of the package we give you a unique opportunity to attract our readers to your internet site through a

live hyperlink. The number of registered users accessing FT.Com is running at 310,000 and is growing by 1,100 a day.

packages worth \$10, and will

Marton Wedderburn on 0171 873 4874

For acivertising rates and

further details

Online Information Call: 212-887-8325 WWW.AMM.COM

legal, financial, social lastics on

http://www.eco.ec.2a

Everything you need to know about Russia.

www.russia.net

ercan Metal Market

FLEMINGS http://www.flemings.lu

For information on GAM's unit trusts and ocits funds see http://www.ukinfo.gam.com टिक्कारी अर्थकंटडा कांक्क्ट्रिट्टबान,टरका Tel: +44 1624 632 777

or facilities and information Tel. +44 171 629 7688

24 hour live commentary and FOREX analysis Read it at www.ft-television.com (or www.tullett.co.uk)

Tired of paying for your business information 🧐

HOTEL & TRAVEL REED TRAVELER.NET

FOR ACCOMMODATIONS NEORMATION WORLDWIDE. http://www.traveler.net/http bverrico@oag.com Telephone: (201) 902-7768

DEMON INTERNET PIONEEER OF INTERNET CONNECTIVITY on 0181 371 1234

http://www.21store.com/ SHARP ZAURUS, US ROBOTICS PILO NORTA 9000 PERSONAL COMMUNICATO GPS PROM GARRIER, MACRILLAN & THROBES MICROCOM SATELLITE TELEPHONE Tel: +44 (0)1707 663533

PYRABELISK 'Pulp & Paper in Russia' Russian Timber & Woodworland' 'Russian vsorint/Packaging

www.pyrabelisk.com/pyrabelisk or phone/fax + 44 1747 838955

Demon Internet of net growth rigest European Internet Service Provider 8181 371 1250 E-mail sales@demon.net_http://www.demon.net/

Tim Jackson • On the Web

Dawn of micro-payment era



extraordinary confrontation. It took place between representatives from a Dutch telecoms company and two US companies that sell electronic micropayments systems.

The two Americans, one from Cybercash and one distributing their technolofrom First Virtual Holdings, gies. The most common way each made separate, persuasive pitches for a new pay- across the systems is on Web ments system. They demonstrated smart new gies to sell products. technologies to ease the process of buying online, and displayed charts showing big is irritating to be forced to increases in the use of their fill out a form for the paysystems.

But the Dutchman was unimpressed. He argued that electronic commerce is more advanced in Europe than in the US, making the point ket. that the Dutch moved from cheques to electronic payments 25 years ago.

And he accused the Americans of cultural imperialism by trying to force mental problem with the European customers to potential market. The new ITS consumers.

But there is a more fundaadopt systems designed for electronic payments systems the hour, not by the letter. are designed to make it So consumers have little s consumers.

Now I don't believe that cost-effective to carry out experience in valuing small- tim-jucksen@pobor.com

ready to start buying.

a cultural differences are the small transactions, for a few technology main reason why new Amerpence or dollars, at a disconference in ican payments systems are tance. Yet consumers aren't used to such transactions, Paris last making little headway in and several things need to week, I wit- Europe. The new payments nessed an technologies are making happen before they will be. At present, mail-order and little headway anywhere. After nearly two years of catalogue companies sell trying, Cybercash has signed physical goods to consumers,

> fulfil very small orders. smallest credit-card issuer. Part of the problem is that the new payments compa-Then the price of nies have had difficulty the transaction rises to \$50 or \$100, and makes the order worth delivering, that internet users come standard credit cards begin sites that use the technoloto look more attractive to merchants. They can widen printer of a standard PC. the potential market from Once you have made the decision to buy something, it thousands of Net cranks to it economic to mail-order

but the cost of delivery tends

to make it uneconomic to

millions of so-called normal cardholders. If the commodity is infor- mail-order market. mation, or other services. the delivery cost problem the market for services. that affects low-value trans- Directory assistance shows actions for goods does not

But services have their simply to find a phone numown problem. Because it has rarely been possible in the have different forms of subscription. Lawyers charge by

There is also a psychologic cal problem: a ticking meter tends to make people use a resource much more sparingly than if they sign up by the month or year - and the result might be that total So are electronic micropayments doomed? I think

not. First, the companies

that developed them are get-

ting better at marketing Other changes make the prospects more promising. Later this year, the US Postal Service will start accepting mail that is franked electronically on the This will eventually make

stimulate a big new low-end Changes are also likely in customers can get used to spending tens of pennies

The long-term prospects past for services to be sold in for electronic micropayvery small pieces, providers ments are good. Whether the existing players will bring rewards to their investors is

BUSINESS TRAVEL

Travel News · Roger Bray

Plans for Kiev

Inter-Continental plans to open a five-star business hotel in Kiev, the Ukrainian capital, next spring. It is likely to be the first of its kind in the country and should deflect criticism that the city has "western hotel prices without western standards", to quote a

British resident. The 11-storey, 204-room property will be opposite St. Sophia Cathedral, modelled on the basilica of the same name in Istanbul. It will incorporate a restaurant, business centre, banqueting and conference rooms, a

nightclub and shops. It should be ready in time for the annual meeting of the European Bank for Reconstruction and Development, due to take place in the city.

Rooms on web Travellers to Britain and Ireland can now trawl for hotels on a website set up by the Royal Automobile Club, the UK motoring organisation (www.rac. co.uk). It enables you to click on a map, tap in requirements such as conference facilities, pool or list of all suitable options within 25 miles. The site covers 1,300 properties, all checked by RAC inspectors.

squash court, and view a

Peacock's tail

Executives under stress are to be offered free tuition in catching a peacock's tail, playing the guitar, or finding a needle on the seabed at Hong Kong's Peninsula Hotel. These are all sequences of movement in Tai Chi, the ancient Chinese art of keeping fit, which is said to relax nerves, stimulate blood circulation and mental alertness and improve the

functioning of internal

Ticketless Spain Theria has launched Spain's first experiment with ticketiess travel on flights between Madrid and Valencia. Passengers are able to book by credit card via a 24-hour telephone

organs through deep

Classes in its mysteries

Wing-Cheong each morning

will be taught on the Sun

Terrace by Master Kwok

from July 1 to October 8.

breathing.

service. There will not be automatic check-in machines at the airports. instead passengers will use dedicated desks where they

will need to show proof of identity.

Meanwhile British Airways, which has extended ticketless travel to all domestic services, says some passengers have been . taking as little as 50 seconds to check in at self-service machines.

Manchester hotel

A £37m hotel is to be built in Manchester, incorporating the Italianate facades of the city's 19th-century Free Trade Hall, original home of the Hallé Orchestra. A 290-bedroom, four-star property, it will be part of the Millennium and Copthorne portfolio, which

includes London's Chelsea and Britannia Hotels. It will be part of a regeneration embracing a convention centre, an amphitheatre, shops and restaurants.

New York deals

New York continues to produce summer hotel bargains. Manhattan's The Mark, on Madison Avenue. is cutting executive suites from \$625 (£386) to \$395 a night between June 27 and September 7.

De luxe double rooms will cost \$260, compared with the usual \$380. The 180-room hotel recently underwent a \$4.1m refurbishment.

Likely weather in the leading business centres

Mon The West Thur Hong Kong 29 29 22 23 30 30 20 25 26 28 Frankfisht 22 20 21 20 10 20 an at which said Augules 24 \$25 25 29 \$2 30 20 20 OBSTRUCT BEFORE * z * 2 2 6 5 1 2 2



LA is a great big freeway

egular visitors to Los Angeles know that renting a car is essential to cope with the huge urban sprawl and its widely scattered commercial and industrial activi-

Usual practice for most is: exit aircraft; head for nearest rental desk and cheapest deal: pick up keys of Slushtank Anonymous De Luxe Mk11; put automatic in gear. brain in neutral; hit freeway: get lost on way to hotel.

It need not be like that. Budget Rent A Car has just injected a note of excitement into the whole tedious business - although it is strictly for the well-heeled business person or one seriously in need of an emotional lift.

In Budget's Beverly Hills scheme of things, the visitor takes the botel courtesy bus. cab or airport lime to the into or on to an altogether astride a "hog", one of Angeles and Beverly Hills of transport "need".

American Express figures.

uropean business travel costs continue to soar well

above inflation, according to

rose 5 per cent in the first quarter

East have increased more than

The American Express European

monitor of fares between 439 pairs

of cities and of 829 hotels in 56

10 per cent in the past year.

But it's much more fun if you are driving something out of the ordinary, says John Griffiths

arrangement to the hotel. Fancy a day or two in a taxes and bodge Viper? Chrysler's miles free. monstrous eight-litre twoseater, more at home at Le Mans than on the freeway, is available for rent at \$541 (£333) a day, including taxes,

plus 54 cents a mile. Porsche's new Boxster sports car, for which buyers are having to wait a year or more, is on hand for \$270.50. plus the same 54c a mile. Mercedes' own new sports car, the SLK, for which the buyer waiting list is even longer, is available at an identical charge.

more alluring array of Harley-Davidson's legendary machinery delivered by prior two-wheelers, at rates starting at \$69 a day, plus taxes and with the first 100

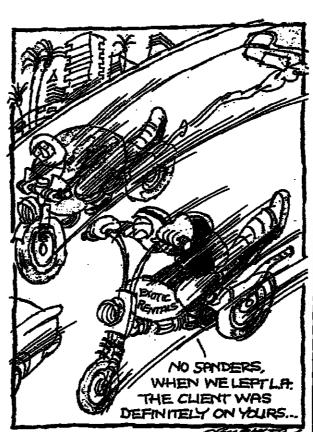
> Helmet and clothing are provided. And since US drivers display none of the homicidal intent towards motorcyclists shown elsewhere, the proposition is by no means as daunting as many might think.

Budget, based in Wilshire Boulevard, claims to run the world's biggest rental fleet of mobile exotica - it includes a civilian version of the "Hummer" four-wheel-drive vehicle of Gulf war fame as well as Rolls-Royces and Fer- tances inevitably involved in And anyone with a motor- raris. The company has the LA basin, however, prohotel. Then, once duly cycle licence and feeling tied up with more than a vide a great opportunity to refreshed, he or she hops really adventurous can leap dozen hotels in the Los wrap indulgence in the cloak

areas to operate the scheme.
It has also allied itself with California Cruisers Motorcycle Rentals to offer the Harley-Davidson scheme. The company is not alone in venturing into exotica. Avis, Hertz and other big car hire companies are also extending their ranges.

And London, in particular, has several companies. including Elite Rentals, Euro Style, Town and Country and others specialising in Ferraris, Porsches and other upmarket desirables - not all for overseas visitors.

To pay £248 a day for a Porsche 911 from someone like Euro Style, mainly to get stuck in the congestion of southern England's road system, might seem like an exercise in financial masochism. The long driving dis-



Cost of doing business

western Europe to all regions rose risen 20 per cent since 1995. But strength of the dollar against of this year, while hotel rates in in the first quarter. The biggest recent increases have done little European currencies and strong North America and the Middle increase was to the Middle East up 9 per cent and contributing to a with the European average. UK

rise of 13 per cent in two years. Fares to North America climbed Business Travel Index, a quarterly 6 per cent. They have risen 16 per cent in two years.

more than bring prices in line

British business fares rose 8 per the rise in European fares to the lised. We may even see some

Average business-class fares cities, shows business fares from cent in the first quarter and have increases in jet fuel prices, the demand for travel.

> He believes the worst is over. discounted economy tickets "After the biggest increases in remain much cheaper than from three years of compiling the index, other western European countries. we think fares are going to stabi-Kyle Davis of Amex attributes lise because fuel prices have stabi-

markets where fares come down. The index shows that the steepest rises in hotel rates in the past year have been in Chicago and Bombay - up 26 per cent and 15 per cent respectively. The UK, Belgium and Italy are up 8 per cent while rates fell 1 per cent in Germany, Austria and Switzerland.

Amon Cohen

American Express Europe, 0171 976 and German members since

Perils of life on the move

usiness travellers are last year, OAG says there is getting jumpy. A report suggests they are more likely to choose an airline with a reputation for safety than one with aircraft that leave on time. But only 29 per cent claim they all those dreary hours at airalways pay attention when cabin staff point out emergency exits.

The findings of the latest international Business Travel Lifestyle Survey by timetable publisher OAG show that a crash-free record has become the second most persuasive factor in the choice of an airline. A convenient schedule remains the most powerful draw.

The survey of 5,250 travellers from nine countries says 14 per cent ignore pre-takeoff safety announcements altogether, with the French and Italians the most cava-

A reputation for punctuality, extra comfort and leg room, and efficiency at check-in are the next three most important considerations. The sixth is an attractive frequent-flyer programme, with the prospect of collecting more points tempting about 8 per cent of passengers to defy company

travel policy. But although schemes have sucked in even more French, British

"some evidence" that their influence may be waning.

Perhaps because of the routine nature of US domestic air travel, Americans are adamant that, in return for ports, they deserve hotel uperades and Hawaiian holi-

days. The survey records a slight increase to 44 per cent in the number of business passengers travelling in economy or coach class. which may be the result of sharp increases in premium fares on many routes.

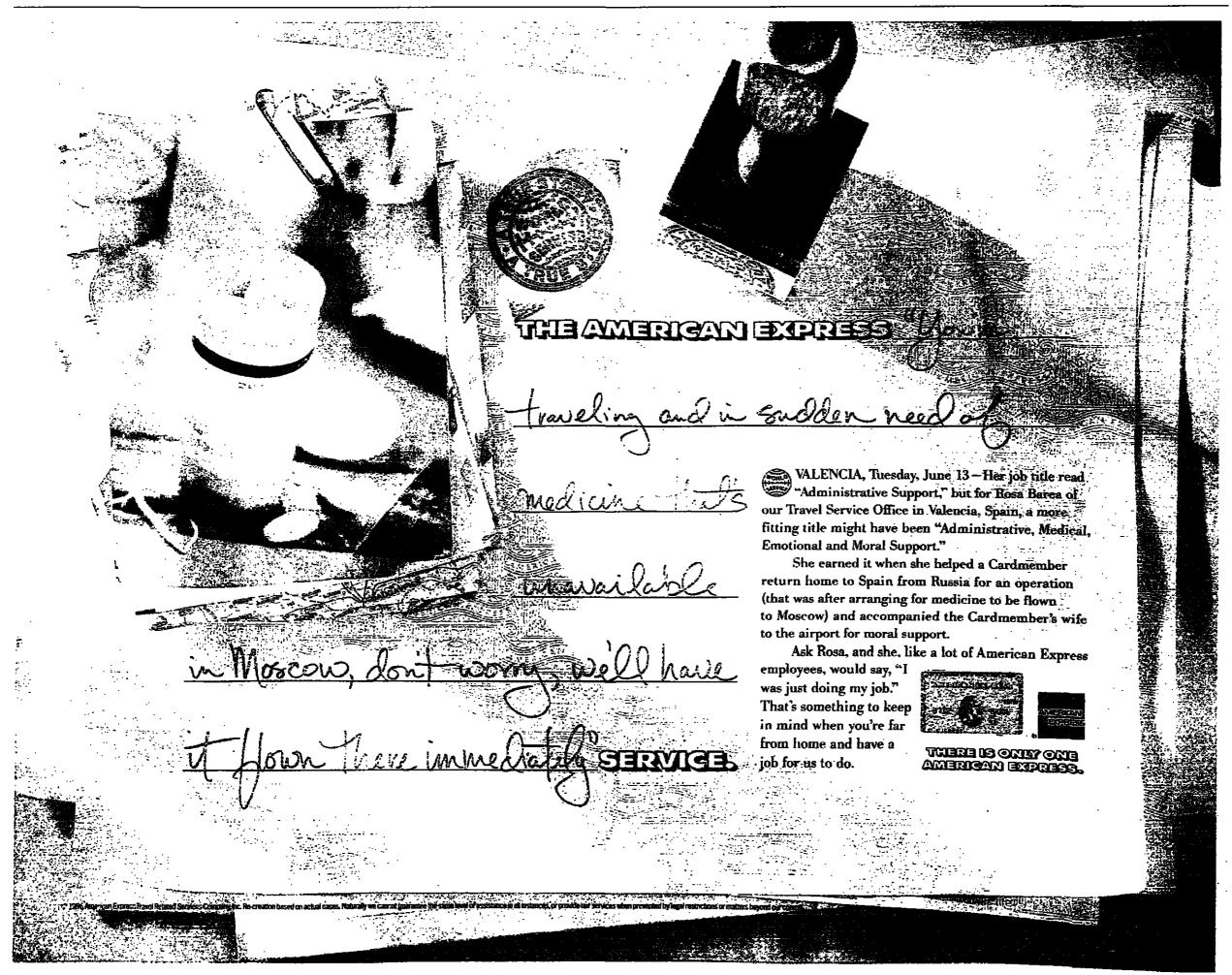
It says nearly a quarter have used the internet as a source of travel information. In the US and Japan the proportion is 30 per cent. Four per cent of Americans have made direct bookings via the web. The British, however, are "most suspicious of its reliability and the least

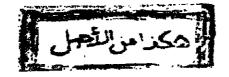
MERD AM

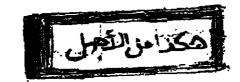
And anyone who imagines that business travellers are invariably from vast corporate empires should note that according to the report nearly half work for small companies with fewer than 25 employees.

Roger Bray

OAG Business Travel Lifestyle Survey 1997, Reed Travel Group, £125







AMSTERDAM (right) makes

of Jersife at the Muziektheate It is staged by Richard Jones: and Antony McDonald, and the cast includes Gwynne Geyer, Kathryn Harries and Pauline Tindley. Other festival highlights include a Bob Wilson staging of La Maladie de le Mort, by Marguerite Ourse (far right), and a Mauricio Kagel MILAN-Weish baritone Bryn Terfel

his debut at La

he Holland festivel opens on Sunday with a new production

of in an exhibition at the nel Art Gallery, opening nce artist Laurie Ancie tival opens tonight at the

Gilbert & Sullivan presents his second play, Closer,

Patrick Marber, who made a

on Thursday. Again, he is his own director, again, it is presented in

lad by Sally Dexter, Claran Hinds, Clive Owen, and Liza Walker. English National Ballet Installs iself on Thursday at the Royal Albert Hall, with Swan Lake (what elsel) denoed in the round by more wans than anyone has ever before seen in captivity. The reason for going is to watch the Kirov divinity Altynai Asymuratove who will appear on Thursday and again on June 3,7, and 11 as Odette/Odile. Otherwise the show is for seekers after curiosities.

BATH lannis Xenakis is the central figure in the Bath festival's contemporary music weekend The opening concert at the Guildhall on Friday is devoted to music for percussion and tape, using Xenakis's computerised technique of manipulating sounds from visual Images

Portrait of the artist as a psychoanalyst

Jackie Wullschlager on a ravishing celebration which explores Freud's influence on Viennese art

tion of photography, do we still find portraits rivetting? As long ago as the 18th century, artists were justifying partners, Klimt's paintings - all them by theories of character -"a Portrait is a sort of General History of the Life of the Person it represents", claimed Jonathon Richardson, Georgian portrattist and leading critic of the day. Yet try to fix the character of most pre-20th century subjects aristocrats. Gainsborough's country gentlemen or Rossetti's femmes fatales - and you realise you know them only from the outside: sensuous or sultry women, haughty or composed

The beginning of a new kind of penetrating psychological portrait which presents the sitter from within, as if he or she were painted on the analyst's couch, is the subject of "Vienna 1900: Portraits and Interiors, a ravishing new exhibition at Amsterdam's Night's Dream bedroom designed Van Gogh Museum. It places por-

and by lesser-knowns such as Burgtheater actress as a proud Carl Moll and Kolo Moser, in the detached Messalina. Klimt once setting of contemporary interiors, bribed the maid to show him costumes, theatre designs, books Mackart's studio while the artist and other works of art, and invites us to watch how, within a when he rejected academic realgeneration, one city suddenly ism and launched the new style found language and symbols to of the Vienna Secession with his express the inner life.

western culture more than gown, he played on Mackart's Freud's theory of the uncon- portrait of Wolter. The juxtaposiscious: this exhibition paints the tion of the two pictures here brilliant, troubled backcloth from shows how the young, ambitious which Freud emerged, and shows us why he could have come from

Freud's adversary Karl Kraus, who defined psychoanalysis as the disease of which it pretends to be the cure", called 1900s Vienna "an isolation cell in which one was allowed to scream". The rich, leisured canital was the apotheosis of Europe's fin-de-siècle mood: it mixed weariness of life, doubts, hectic exuberance and the social unrest which would end in the tall of the Habsburgs. The mass response was a retreat into the

ular hits of the 1900s - Strauss'-Der Rosenkovalier, Mahler's symphonies, Schnitzler's plays like Der Reigen (La Ronde), with its. scandalous plot of shifting sexual swoon to the cult of sensual

In a city so classical and art-obsessed that it feels like an open-air museum, the Viennese have always had a tendency to see life as a sumptuous "Gesamtkunstwerk". No one illus-Titian's nudes or Velazquez's trates it better than society painter Hans Mackart, whose heavy red and gold interiors and nostalgic portraits seem today to embody the Viennese repression that Freud was challenging.

ne opening gallery here presses in on you as Mackart's studio, all velvet and oak and dead animals, must have beammed in the breathless crowds at his famous parties. Here is his glitzy Midsummer for the Empress Elizabeth's hunttraits by Vienna's greatest artists ing lodge, and his portrait of - Klimt, Schiele, Kokoschka - Charlotte Wolter, the histrionic was taking his siesta. Years later, landmark 1898 portrait of Sonja Nothing has shaped modern Krups in a flamboyant pink portraitist echoed the asymmetrical figure placement and the foil of accompanying flower-bursts which, with the strong, handsome body silhouette, give Sonja

a sensuous self-possess ling Mackart's classical model. At the same time, hallmarks of Klimt's revolutionary contraiture - square format, two-dimensional composition, bold, fluent brushwork - are heralded here. One step away was the surface-filling, caressing strokes of Pointillism of the Marie Henneberg portrait, then on to the organic "flower fills" in which a woman's body

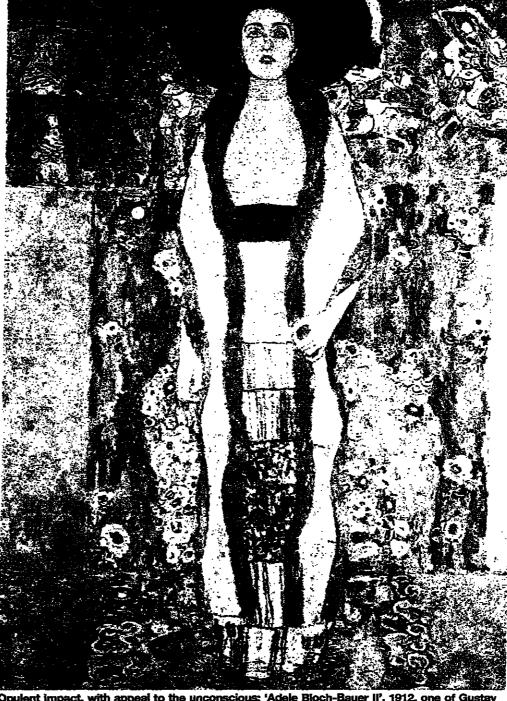
hy, 150 years aesthetic and the erotic. The pop-becames a foil for a symbolic decorative structure, as in the portraits of Adele Bloch-Bauer. In such pictures, anatomy becomes ornament and vice versa. With their appeal to the unconscious and their opulent impact, they soon had the wives of the nouveau-riche hammering on Klimt's door. His shimmering, voluptuous façades even got explicitly erotic paintings such as "The Kiss", with its gold and silver overlay of erect rectangles and oculated spirals, past the impe-

We see at the Van Gogh Museum a masterly overview of his development as portraitist, culminating in the 1918 study of Johanna Staude, a new. post-war woman, self-aware, intelligent, modern, staring boldly out at us, sporting a fashionable short haircut and black feather boa.

A joy of this show is the sheer diversity of female types. Broncia Koller-Pinell's seated young nude Marietta owes much to Klimt geometrically constructed background, decorative effects - but the face and posture are uncertain, gauche vulnerable, rather than provocatively erotic; by the absence of insistent sexuality. she makes you realise how oppressive male depictions of the female nude can be to women. Elena Luksch-Makowsky's self-portrait with her son is another revelation - the artist, in clerical vestments, holds up the boy, crowned with flowers, as a sacrifice against a bloody background, suggesting the threat to her identity from motherhood.

And Richard Gerstl's Fev Sisters is an extraordinary interpretation of the conflicting worlds of experience of two nearly identical sisters, setting the contentment of Karoline against the introveried isolation of Pauline. Both wear full white dresses which turn to grey as sweeps of black background invade them: the contrasting facial expressions make the work an almost schizophrenic study of agony versus calm, despair versus opulence.

Gerstl was one of the young stars of Viennese expressionism, celebrated in the final gallery



Opulent impact, with appeal to the unconscious: 'Adele Bloch-Bauer II', 1912, one of Gustav Klimt's revolutionary portraits using the body as a foil for the symbolic decorative structure

Schiele strip sitters of their decorative wrapping and stylised forms to convey their mental states. The 1910 portrait of Eduard Rosmack, a 30-year- old publisher who looks nearer 60, marks Schiele's breakthrough to his own intense, compressed style - Kosmack's hands, placed between his knees, cause his entire body to be squeezed inwards, as if by some central, invisible force, while his eyes fix us with a strange stare which brings the psychological tension to a climax. Schiele's dark nicture of Trude Engel, his dentist's daughter, with tight body held in here. Breaking with the rigid aes-thetic beauty of Secessionist art, and big fearful eyes, is another

painters such as Kokoschka and study of a disoriented psyche; it wrote Freud. Of course self-porwas painted in lieu of fees for traits through the ages have extractions and fillings.

clasps his breast to indicate his and his struggle to find identity unconscious. in the new Europe after it.

before me discovered the uncon- Amsterdam, until June 15, then scious. What I discovered was the at Von der Beydt-Musseum. scientific method by which the unconscious can be studied",

Most disturbing of all are two life - Rembrandt's, for example; self-depictions. Gerstl's what makes Vienna 1900 so reso-"Laughing Self-Portrait" of 1908, nant in our own self-absorbed finpainted just before he committed de-siècle is the examination of suicide, exudes a furious con- how, by seeking portraitists who tempt for the world, and could interpret their imaginative Kokoschka's 1917 self-portrait is a lives rather than merely flatter study in exhaustion and loneli- their vanity or enhance their ness where, martyr-like, he social status, an entire society came to be fixated on self-analywounds in the first world war sis and the symbolism of the

"The poets and philosophers At the Van Gogh Museum. Wuppertal, 13 July-5 October

Theatre Shaw's Madame

hen watching a British film of the 1940s or 1950s, you point to hear the plummy twang. It is the sound of an actor who normally speaks in Received Pronunciation, but is now called upon to adopt a more proletarian ccent and can't quite manage it - Stanley Holloway in *Brief* Encounter is a prime example.

The phenomenon has now been revived in Alan Strachan's touring production of Mrs Warren's Profession at the Richmond Theatre, in which Penelope Keith plays an East End girl turned international madame without quite getting her mouth around the broadened vowels and glottal

But Keith gives an otherwise comfortable performance; a self-confessed vulgarian, her Mrs Warren is brash when called upon, but never downright common. At the real centre of the play, although, is Carolyn Backhonse as her Cambridge-educated daughter Vivie. Backhouse energetically portrays Vivie as a standard Shavian heroine intelligent, feisty and plainspeaking; although she puts too much of her throat into Vivie's bolder lines, she bolds the attention through the young woman's journey of discovering and rejecting her family heritage in order to forge an identity for

Robert Hands, as Vivie's romantic interest Frank Gardner, is on the bland side, although never quite as insipid as his childish lover's talk might suggest. The rest of the cast are cartoons, David Henry as the pompous rector, Denis Lill as the Charles Kay who appears to be showing some solidarity with Keith's accent by playing Praed as Alastair Sim.

Apart from this sensitive han dling of the two central exchanges between Vivle and her mother in Acts Two and Four. Strachan's directorial vision is broad and concerned more with the easy entertainment than the questions which Shaw poses. Put it this way: the keynote of the third act is not so much the reve-Frank's relationship may be incestuous, as the fact that these take place amid a great deal of topiary. Judging by conversations overheard in the interval, to some the play was little more than a genealogical whodunnit.

Ian Shuttleworth

INTERNATIONAL

AMSTERDAM

CONCERT Concertgebouw Tel: 31-20-6718345 Koninklijk Concertgebouworkest: with conductor Mariss Jansons In works by Honegger and Dvorák; May 29

■ BARCELONA CONCERT Palau de la Música Catalana

Tel: 34-3-2681000 Philadelphia Orchestra: with conductor Wolfgang Sawallisch in works by Brahms, Schumann and Dvorák, May 29

COPENHAGEN

OPERA ' Det Kongelige Tester - The Royal Theatre Tel: 45-33 69 69

 Der Fliegende Hollander, by Wagner, Conducted by Dietfried Bernet, performed by the Royal Danish Opera. Soloists include

Michael Kristensen; May 27

DUBLIN CONCERT National Concert Hall Tel: 353-1-6711888 Cora Venus Lunny: performance by the violinist. accompanied by the planist

■ GLASGOW

EXHIBITION Hunterian Art Gallery Tel: 44-141-3305431 Altered States: The Etching Revival 1850-1929: exhibition surveying the range and popularity of etching in the late 19th and early 20th centuries. The display is drawn from the Museum's own collection and Includes works by Whistler, Degas, Sickert, Augustus John, Meyron and Millet, to Aug 23

LONDON

CONCERT Barbican Hall Tel: 44-171-6384141 English Chamber Orchestra: with conductor Shuntaro Sato and soprano Lesley Garrett Inworks by programme includes works by Yoshimatsu, Canteloube and Beethoven; May 28 Royal Festival Hall Tel: 44-171-9604242 The Kingdom: by Elgar. Conducted by Sir David Willcocks, performed by the Bach Berlin, 1915-1932; exhibition Choir and London Philharmonic

Orchestra. Soloists include Bent Norup, Stig F. Andersen and soprano Lynne Dawson, contratto Catherine Wyn-Rogers, tenor Neil Jenkins and bass Stephen

EXHIBITION Tate Gallery Tel: 44-171-8878000 ● 1997 Centenary Displays: special display marking the 100th anniversary of the Tate and Deborah Kelleher. The programme featuring a number of major works from the Gallery's includes works by Beethoven, collection, from Stubbs and Ysaye and Sarasate; May 28 Gainsborough to Matisse and

Pollock: to Jun 30 Whitechapel Art Gallery Tel: Catiny de Monchaux display of work by the British sculpture who uses a wide range of materials, including brass, rusted steel, glass, paper, leather and chalk. The Lower Gallery of the Whitechapel has been transformed by a dramatic installation, described by the artist

as "dream architecture"; from

MADRID

May 30 to Jul 27

CONCERT Fundación Juan March Tel: 34-1-4354240 Victor Martin: performance by the violinist, accompanied by the pianist Agustin Serrano. The Brahms; May 28 EXHIBITION

Museo Thyssen-Bornemisza Tel: 34-1-4203944 George Grosz, Los años de

ExpressionIst painter and graphic artist George Grosz (1893-1959) ~ a founding member of the Berlin Dada group - was working in Berlin. The exhibition features some 20 oil paintings. approximately 100 works on paper, notebooks, illustrated books, and other objects; from May 27 to Sep 14

MUNICH

OPERA Cuvilliés-Theater - Altes Residenztheater Tel: 49-89-296836 Carmen; by Bizet, Conducted by Jacques Delacôte, performed by the Bayerische Staatsoper. Soloists include Maurizio Muraro, Caroline Maria Petrig and Anne

NEW YORK DANCE

New York State Theater Tel: 1-212-875-5570 La Stravaganza: choreographed by Angelin Preljocal to music by Vivaldi, Ficarra, Normandeau, Morand and Pamerud, performed by the New York City Ballet, May 29

International Center of Photography Tel: 1-212-860-1777

 Lauren Greenfield: display of 50 photographs examining the impact of Hollywood on young people in Los Angeles, exposing generation motivated by materialism, obsessed with fame focusing on the years the German and the life in the fast lane;

to Jul 13 Solomon R. Guggenheim Museum Tel: 1-212-423-3600 · A Century of Sculpture: The Nasher Collection: masterpieces

collection formed by Patsy and

of 19th and 20th century

sculpture drawn from the

Raymond Nasher, to Jun 1

The Metropolitan Museum of Art Tel: 1-212-879-5500 The Iris and B. Gerald Cantor Roof Garden: special open-air display of 20th century sculpture from the Museum's collection. installed in a roof-garden which offers some spectacular views of Central Park and the New York City skyline; to Oct 30

PARIS

DANCE Théâtre de la Ville Tel: 33-1 42 74 22 77 • The Land of Rape and Honey:

choreographed by Liat Dror and Nir Ben Gal to music by Cohen, performed by the List Dror & Nir Ben Gal Company; May 29, 30, 31: Jun 1

EXHIBITION:

Galeries Nationales du Grand Palais Tel: 33-1 44 13 17 17 Paris-Bruxelles/Bruxelles-Paris; exhibition focusing on the artistic relation and exchange between Belgium and France from 1848 to 1914. Attention is paid to both visual and decorative arts. architecture, literature and music, ranging in styles from Realism and Impressionism to Symbolism and Art Nouveau: to Jul 14 Musée d'Orsay Tel: 33-1 40 49

de Bruxelles, examining the life and times of art critic Verhaeren. On display are a number of paintings, sculptures, drawings and engravings by artists Verhaeren championed, including Redon and Ensor, to Jul 14

Emile Verhaeren: un musée

organised by the Musée d'Orsay

and the Musée de la Littérature

Imaginaire: exhibition jointly

■ ROTTERDAM EXHIBITION

Kunsthal Tel: 31-10-4400301 Mondrisan uit de collectie Haags Gemeentemuseum: display of more than 150 paintings, watercolours and drawings completed by the Dutch artist perore 1920; to Jun 8

VIENNA

CONCERT Konzerthaus Tel: 43-1-7121211 Die Winterreise: by Schubert. Conducted by Sylvain Cambreling, performed by Klangforum Wien. Soloists include tenor Christoph Prégardien; May 28

Musikverein Tel: 43-1-5058681 Yumiko Sameiima: performance by the soprano. accompanied by the pianist Helmut Deutsch. The programme includes works by Schubert; May 28

Listing selected and edited by ArtBase The International Arts Database, Amsterdam, The Netherlands, Copyright 1997, All rights reserved. Tel: 31 20 664 6441. E-mail: artbase@pi.net

WORLD SERVICE BBC for Europe can be received in western

On tour until July 5. Sponsored

by Barclays Stage Partners.

Europe on medium wave 648 kHZ (463m) EUROPEAN

CABLE AND SATELLITE **BUSINESS TV** (Central European Time)

MONDAY TO FRIDAY NBC/Super Channel:

07.00 FT Business Morning

10.00 European Money Wheel Nonstop live coverage until 15.00 of European business and the financial markets

17.30 Financial Times Business Toniaht

CNBC:

08.30 Sauawk Box

10.00 European Money Wheel

Financial Times Business Tonight

Philip Stephens

Still in the game

Tony Blair has made it clear that the UK is ready to strike a bargain with its fellow European Union members

The soundbites - after New nois powerless. No doubt Republic, Poland and Hun-Not so long ago it was said the new European Union treaty due for signature in New Millennium, New Amsterdam next month Europe - carry the echo of any document he signs, would be a seminal moment. The rewriting of the Maastricht accord Mr Blair has not got the party which took Britain tone quite right. When you would prepare Europe for the great leap eastwards, for are prime minister, undera Union of 25 instead of 15. statement can be as effective as braggadocio. And it would add an essen-Some heard a jarring note tial political dimension to too in Mr Blair's Thatchthe economic enterprise of the single currency. For erite rhetoric on labour

Britain, the treaty would market flexibility and competitiveness. But, if the mark the fork in the road Anglo-Saxon model will between engagement and always fall hard on contieventual withdrawal. Forget it. As Tony Blair nental ears, he is right to discovered during his first judge the tide has turned experience of European against the Delors' vision of summitry at the gentle a social Europe. And the substance in Mr Dutch coastal resort of Noordwijk, neither analysis Blair's message was that, now bears even cursory examination. His landslide election transformed the politics of Europe in Britain.

now searching for the low-

est common denominator

No one should be sur-

the Noordwijk gathering.

Politicians have an instinc-

tive respect for colleagues

who have just won elec-

tions. And a victory on the

crushing scale of New

comforting future.

about his remark that his

summit reception mirrored

the one he had received

from the British electorate.

save for a non-negotiable bottom line on border controls, immigration and defence issues, Britain is But the mood has changed, ready to strike a bargain in too, elsewhere. Leaders who once spoke with grandiose Though it seems hard to

credit at this short distance ambition of Maastricht 2 are from the election, if John Major had been returned to office even this minimalist package would have triggered a crisis. In their introprised that the British prime minister was fêted at spective obsession with national sovereignty, the Conservatives had elevated the draft treaty into a frontal assault on the nation Mr Blair's parliamentary

majority renders such para-Labour's generates a correspondingly warm, and Kohl and Chirac inquisitive, response. Less widely noticed was have decided that the subtle impact of Mr Blair's fresh-faced youth prolonged he is just a few weeks past his 44th birthday. Helmut wrangling over a Kohl and Jacques Chirac. representatives of a passing

new treaty must generation and of an era when leadership was the not get in the way are fresh in European preserve of late middle age. came face to face with a disof the grand By and large, Mr Blair design for a handled himself well. There was a touch of gaucheness single currency

Labour. New Britain comes the Conservative rump at Westminster will oppose opposition. After three which in itself will be an weeks in 10 Downing Street, important moment for the into Europe. But for now the nation has tired of the Eurosceptics. There is potent symbolism in the fact that at the moment the prime minister is negotiating in Amsterdam, the Tories will be electing a new leader.

The other fortuitous coincidence lies in the decision of Messrs Kohl and Chirac to lower their sights. Prolonged wrangling over a new treaty, they have decided, must not get in the way of the grand design for a single currency. As one foreign minister told me, it is time for the caravan to move on. Soon.

Mr Kohl once harboured great hopes for Maastricht 2. Now his preoccupation is with ensuring that economic and monetary union begins on schedule in January 1999. Mr Chirac, fingers crossed he will preserve a small majority in the French elections, shares the anxiety about expending too much political capital in public wrangling over Europe's institutions In this, the small state of

Denmark is playing a vital restraining role. The government of Poul Nyrup Rasmussen has warned that anything bearing the label of political union will require a referendum. Memories of 1992 - when the Danes' initial rejection of Maastricht unnerved the currency markets and provoked a crisis in the exchange rate mechanism -

ahead of Emu. So the Amsterdam summit will settle for a modest package. There will be enough institutional reform for a first phase of enlarge to learn the rules of a ment to admit the Czech gether tougher game.

minds. There is no appetite

for a repeat performance

gary. The treaty will give a European dimension to the basic rights of the citizen. Tighter foreign policy and defence co-operation will provide for a distinctive EU role in peacekeeping and humanitarian operations. And an opt-out for Britain, Ireland and Denmark will allow others to begin dismantling national border and immigration controls.

More important will be a deal on a so-called flexibility clause allowing future inte gration to proceed at a variable pace. In years ahead, this will challenge Mr Blair's real intentions as to Britain's role. But it is within the wit of the Foreign Office to finesse the immediate awkwardness.

Lady Thatcher, who we learn has been one of the early visitors to Mr Blair's Downing Street, will not take quite such a sanguine view. She lives still in the days when she danced with Ronald Reagan on the world stage. But she never under stood the mutual dependency in Britain's relations with Europe and the US. I suspect (or at least hope)

Mr Blair's invitation had more to do with his determination to break with the old tribalism of British politics than to the wisdom of the Lady's judgments on foreign affairs. As President Bill Clinton will remind his host when he visits Downing Street later this week. Britain counts in Washington largely to the extent it has clout in Europe.

Herein lies the significance of Mr Blair's first foray across the Channel He has kept Britain in the game. He should not be misled by the plaudits in Noordwijk. Emu is now ahout as close as it can get to a certainty. It will transform the politics as well as the economics of Europe. Standing aside, Mr Blair will not find it quite as easy to learn the rules of an alto-

LETTERS TO THE EDITOR.

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Defens may be fasted to 148 10, 500 5000 (please step like are keen to encourage letters from Published letters are also scallable curried?) web-site http://www.ff.com.

The fine's envalue of the control of the c

Cost and competence are key factors in changing City regulatory structure

From Mr Lynton Jones. Sir, Peter Martin fears that the new super-SIB is in danger of turning into Dr Frankenstein's monster ("Birth of Brown's brainchild", May 23). Let us hope that one such creature roaming the streets of the City will be easier to manage and cheaper to feed than the several that exist today.

One of the principal advantages that should stem from the proposed change, and which featured nowhere in Peter Martin's article (but which was highlighted in the chancellor's statement) is the potential saving in the cost of regulation. Before the election Labour MPs who were then shadowing City affairs were talking about changes on the lines now being proposed resulting in cost reductions in the region of 15 to 20 per cent in the overall cost of regulation.

It is of the utmost important that this objective is not lost sight of in the forthcoming reorganisation. A main concern of investment exchanges and their members is the seemingly inexorable rise in regulatory costs. Member firms of investment exchanges face a double whammy - in addition to having to bear the cost of membership of the Securities and Futures Authority they have to pick up the cost their investment exchange has to pay to SIB

for being regulated by it. Combining the self-regulatory organisations with SIB should not, as the governor once said, simply result in changing the brass plates on the doors, but should be used as a very serious opportunity to reduce significantly the cost to the industry of regulation.

Lynton Jones, chief executive, The International Petroleum Exchange of London, International House, 1 St. Katharine's Way, London E1 9UN, UK From Mr David W. Clark.

Sir, Your leader on the "super-Securities and Investment Board" ("All change for the super-SIB", May 21) congratulates the UK chanreform initiative. While few would disagree with your comments on the present bureaucracy and infrastructure in respect of the retail sector and the need for modernisation, many in the wholesale and international banking world are concerned

that the baby may be thrown out with the bath water. The clear distinction you refer to between the retail and wholesale sectors goes much deeper than the squabbles between SIB and the SROs and the overlapping of financial products. Since the publication of the Barings report and the consultancy work done by Arthur Andersen, the Bank has initiated its own reform of supervisory techniques and objectives that relate specifically to the professional banking sector. These focus on complex risk and market-related issues that emerge from the high-profile accidents of recent times, especially in derivative products and their pricing and reporting.

This has little to do with the retail sector, with which the government is rightly concerned, but everything to do with strengthening the banking sector's ability to handle new and sophisticated instruments used

mainly by professionals. These efforts play a significant role in enhancing the City's reputation in an international field it must fight its corner for, and it is not obvious that the skills currently being built up in the Bank can be replicated outside a banking environment. Banking supervision, especially in the City which plays host to so many for-

eign banks, serves an entirely different community to those selling pensions and other domestic financial services, and impacts on the way international financial markets work. As legislation is prepared for building a modern regulatory environment for UK financial services under the auspices of SIB, perhaps the chancellor might ponder again on whether he would serve that sector better by treating it as a specific industry and in doing so separately promote the prudential strength and international competence of the banking sector by leaving banking supervision where it needs to be - close to the banks, and in the

David W. Clark, executive general manager. Bank Gesellschaft Berlin, Cheapside, London EC2V 6JP, UK

Bank of England.

From Mr John Arrowsmith. Sir, The Bank of England is being made to pay a high price for its acquisition of operational responsibility for interest rates. Separation of responsibility for monetary policy from other key functions such as financial

supervision and government funding and debt management may be justified on two grounds: avoiding a conflict of policy interests and preventing concentration of too much power in one nonelected body. But this presupposes the central bank has sole responsibility for monetary policy. If that were what the Bank was being offered, there should be proper debate about the constitutional implications and the framework for democrating accountability. What the chancellor is ceding to the Bank, however, may have more form than substance.

The chancellor alone will set and change the Bank's inflation objective and the four outside members of the monetary policy committee will be appointed entirely at his discretion. With the appointment of two deputy governors this year and the

expiry of the present terms of the governor and the executive director responsible for monetary policy operations next year, he will be able within the next 12 months to secure the appointment of eight of the nine committee members. Six of the nine can then be replaced on a rolling basis every three years. This is a far cry from independence within the meaning of the Maastricht treaty: further institutional upheaval would be required if the government were to decide at some point to take part in

monetary union. It may yet be that the chancellor will stick resolutely to a firm inflation target and that he will pack the monetary policy committee with people noted for their independence. If not, the governor may have acquired. instead of what he has often call the poisoned chalice, a mess of pottage.

senior research fellow. National Institute of and Social Research, 2 Dean Trench Street, Smith Square, London SW1P 3HE, UK

John Arrowsmith,

From Mr Wynne Godley and

Sir. If the British economy is to sustain growth in the medium term, personal consumption must now be held in check so that interest rates and the exchange rate can come down. In the absence of new controls over credit, taxes in the Budget should probably rise by £10bn (\$16bn) or more.

But even if the chancellor were to raise taxes on this scale, suppose the Bank still felt threatened by inflation and put up interest rates. causing sterling to rise further. Who would be responsible for the ensuing recession? How and by whom would it be brought to an end?

It is not true that central bank independence has always been a success in the countries where it has been tried. For instance, US fiscal and monetary policy pulled in opposite directions during the Reagan/Volcker years, seriously unbalancing the economy with consequences that still persist.

Wynne Godlev. John Wells, Jerome Levy Institute and Faculty of Economics, Cambridge University, Sidgwick Avenue, Cambridge CB3 9DD, UK

Benefits of Boeing deal

From Mr Harvey M.

Sapolsky. Sir, Boeing's acquisition of McDonnell Douglas should be praised rather than challenged as the EU has done ("EU could outlaw Boeing merger", May 19).

There are domestic as well as international benefits in the deal. Boeing in effect removes one aircraft manufacturer from the vastly oversized US military aircraft industry with the potential of reducing producer demands for work. Commercially, the Boeing-McDonnell combination will likely force increased rationalisation of the Airbus Consortium, strengthening its competitive position. No one should believe that

Boeing's commercial strength comes from US government subsidies. Its military and space orders are limited or focused on special technologies. Fallen commercial rivals like McDonnell Douglas and Lockheed have much larger involvement in the military transport business. Airbus partners are much more linked to government subsidies than is Boeing.

Harvey M. Sapolsky. Massachusetts Institute of Technology. Cambridge. Massachusetts 02139, US

Rules felt to be rigged

From Ms Lucy Shiels. Sir, I read with interest that a single regulatory body will help the UK government "to stop the EU from rigging the rules in order to reduce London's market share in European finance after Emu" (Letters, May 22).

The recent dismissal of the German government's action against the directive on deposit guarantee schemes by the European Court of Justice has no doubt caused the German government to feel that the EU is also rigging the rules to reduce Germany's market share in European finance after Emu. Is this not a case of the grass always being greener on the

Schumannstrasse 49.

Lucy Shiels.

Optimistic prospects

From Mr Owen Cylke. Sir, Jeffrey Garten paints a discouraging picture of the prospects for the emerging world in his Personal View (May 21). There is a more promising prospect. Over the next 20 years, the modernising economies of east Asia Latin America and eastern Europe will install up to 80 per cent of the industrial capacity they will have in the year 2010. Think of it: existing industrial plant will represent only 20 per cent of total industrial output in the emerging markets and, by the year 2020, less than 10 per cent. What a prospect to

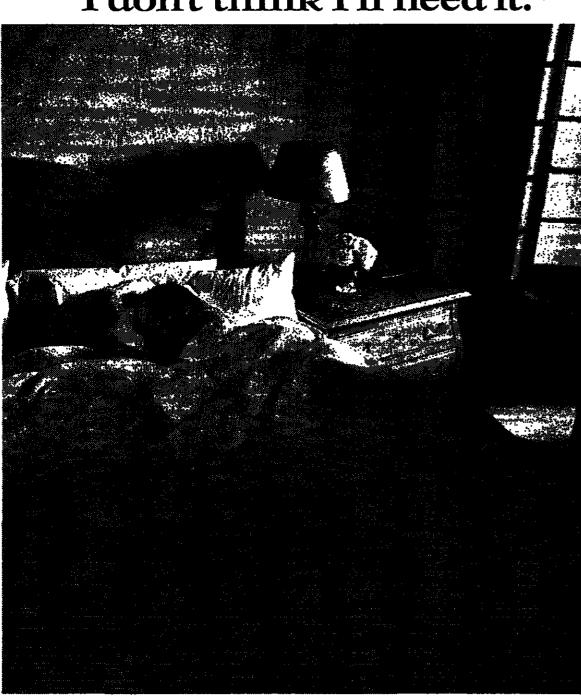
build on. Mr Garten's global compa nies are already largely transformed in terms of economic, social and ecological values. International standards and norms, built on these important values, are beginning to override claims of national or regional, even corporate, singularity. Indeed, the forces of globalisation, liberalisation and integration are transmitting these standards, norms and values to the farthest corners and smallest enterprises of the world

Even the most powerful companies and states find the marketplace and international public opinion compelling them more often than not to follow a particular course - increasingly reflecting these new standards and norms. The almost giddy reaction to ISO 14000 in emerging markets is one promising example from this fundamental redistribution of power among states, markets and civil society.

Perhaps we need to be wary of blind optimism, but there is no reason for pessimism.

Owen Cylke, senior adviser to the US-Asia Environmental Partnership, Winrock International Washington, D.C., US

"Cancel the warm milk. I don't think I'll need it."



The advantages of a Four Seasons Hotel are obvious even in the dark. There's the sensation of slipping between fine cotton sheets, thoughtfully French-folded for dreamlike comfort. The luxury of curling up under our goose-down duvets. The back-soothing firmness of our mattresses, every one custommade to Four Seasons specifications. Awakening hours later, you may feel as if you haven't slept so soundly in years. So we apologize, in advance, for the promptness of our FOUR SEASONS wake-up call. The demands of business demand nothing less. Telephone your travel counsellor or in the U.K., 0800-526-648. Web site: www.fourseasons.com Hotels and Resorts

Defining the art of service at 40 holels in 19 countries.

Pressure for a fundamental change

From Mr Makoto Nambara. Sir, Michiyo Nakamoto's article, "Death of the salaryman" (May 17/18), was stimulating. While agreeing with her comments in principle, I would like to express my views on the current trends. Based on my previous job experience in Japan, her analysis is varied for salarvmen between 30 and 40 years

However, today Japanese companies are applying two different styles of management principles: one is classical Japanese and the other is innovative. Toyota and Nomura belong to the former while Sony and Nintendo are examples of the latter. As we have seen, both management styles boast strong productivity and yield

profits. However, their manment styles are completely different and I am very interested in predicting which group will survive the 21st century's global econ-

In Japan we are seeing increasing numbers of flexible, more individuallyoriented and internationally minded companies. It is my view that these companies are adopting the appropriate styles of both American and Japanese management systems. The synthesis of these two styles will be para-

mount to survive in the 21st century market. Nakamoto's report mainly applies to the traditional Japanese conservative-styled companies. The question arises: how can they maintain strong economic strength without offering security of lifetime employment and other benefits?

It seems that the meek and humble middle-aged salaryman will soon realise that his company is no longer reliable. With this realisation, his

loyalty and contribution to the company will undoubtedly decline. Therefore, management styles as well as the salaryman's approach to his job must fundamentally

Makoto Nambara, PhD candidate, The University of London

Dinwiddy House Rook 5RAL. 189-205 Pentonville Road, London N1 9NF, UK

4.43

i an i sara ya 🌉

and the second

400

· "有理"。

THE PART OF

WATER BEAT

Section 1

.

· Comment

Total Control r ta taman 🛒 200 · ** ***

700 ----

The Market t-version of

77 3 SA

20.00 · appraire 3 TO SHETTER 李 李 李 李

100 44 3

RWANDA UGANDA

ETHIOPIA

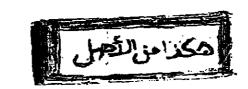
ERITREA

The changing face of Africa

CENTRAL AFRICAN REPUBLIC

CAMEROON GABON

TOGO



COMMENT & ANALYSIS

Congo: mapping out a new future?

CAMEROON

GABON

OCEAN

Bu, - BURUNIX

Seko into exile is reverberating

now has the chance to recover its

leading producers of cobalt, cop-

per, diamonds and coffee is dra-

ments of Kenya and Zimbabwe.

ments and aid agencies.

Rakiya Omaar of Africa Rights,

the independent London-based

developments on the continent.

At the core of these "new Afri-

bring Mr Kabila to power: Presi-

dent Yoweri Museveni of Uganda.

who led a guerrilla campaign to

overthrow Milton Obote in 1986.

and General Paul Kagame, Rwan-

da's military chief, who joined

him in providing covert military

assistance to Mr Kabila's rebel

Moral support came from Presi-

30-year war with neighbouring

matic enough.

CENTRAL AFRICAN

Democratic Republic of

ONG

ZAMBIA

ANGOLA

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Monday May 26 1997

Let the buyer beware

Electronic trading is trans- alternative trading systems, forming the securities markets which would probably have to and the way that they are regulated. In a paper published over the weekend, the Securities and Exchange Commission says it is contemplating the biggest change in the way it regulates US stock exchanges since it was set up in 1934. To meet the challenge, it has come up with one good idea, and a fig leaf.

systems, such as Instinct, as an alternative to traditional exchanges. There are already more than 20 such systems competing for orders with established US markets, and their combined trading volume is over one and a half times that the American Stock Exchange and all the regional exchanges combined.

The SEC recognises, rightly, the benefits which investors have already received from the development of innovative electronic systems. And it wants them to be allowed to compete fairly with the established At present, these alternative

markets can take part in the national market system only under terms set by the registered exchanges with which they compete. The best way round this would be to set up a tiered framework of regulation. Smaller markets would be subjected only to limited disclosure requirements. The second

would take in the largest

take on some regulatory responsibilities. The top level would cover the big exchanges already registered with the SEC.

sent a big step in the domestic market, the growth in electronic cross-border trading is another issue. The problem is that the internet is killing those rule-Its starting point is the books which have depended or growth of electronic trading information flows being conbooks which have depended on tained within national borders and channelled through a small number of intermediaries. When it is as easy to dial up Bangkok as Brooklyn, old-fashioned regulators have a problem.

> dealing with electronic crossborder trading is less impressive. This would set up a regulatory framework to cover the US activities of those entities that provide US investors with direct access to a foreign market. But in an era of electronic commerce, attempts to funnel business though officially approved intermediaries seem doomed to

The SEC has always resisted the notion that investors should be allowed to make up their own minds about whether they are going to be taken for a ride. Of course, there is much work to be done in international cooperation to deal with crooks. But coming to terms with the principle of caveat emptor may be the biggest change which the SEC now has to contemplate.

A wise warning

For six years the European Bank for Reconstruction and Development has struggled, with some success, to attract foreign capital and investment to the former communist economies. Last week, however, Mr Jacques de Larosière, the bank's president, sounded a note of warning. He cautioned would-be lenders and investors to look more carefully at the risks Republic, which two years ago involved in investing in this

seriously, especially coming from a man who, as former managing director of the IMF, dealt with the Latin American debt crisis of the 1970s. He sees parallels in the emerging markets of eastern Europe today.

There are certainly signs that in their search for higheryielding assets, some lenders are not demanding sufficiently stringent conditions from often inexperienced borrowers. Rising corporate lending has been accompanied by a rash of sovereign, municipal and corporate bond issues at ever tighter rates in recent months.

The EBRD's concern could be construed as sour grapes. Senior bank officials have become increasingly frustrated as carefully constructed deals, sometimes on the point of signature, have been snatched by commercial banks offering cheaper terms and easier conditions. Critics claim this is because the do well to heed its advice.

bank is too slow in reaching decisions, and too expensive.

This might sometimes be the case. But recent events have given ample warning that investment in this region carries significant risks. Albania may be an extreme case, but Bulgaria only just avoided a systemic collapse of the banking system recently. The Czech was widely seen as a reform success story, is currently facfor countries in the former Soviet Union, their economic reform remains patchy and cor-

porate governance inadequate. Foreign investors have so far been able to cherry-pick the best companies or lend to countries, such as Hungary, which have been able to offer the greatest legal and institutional comfort. But high liquidity in international markets means that lenders are going for more

obscure regions and companies in the search for higher yields. There is a yawning gap between the best and the average in the former communist world. The EBRD is the biggest and most experienced investor in the region. It is obliged by the terms of its charter to observe sound banking principles and to apply due diligence It is right to point out that the risks rise strongly off the beaten track. Private investors would

Regional pitfalls

The UK's new Labour also need to provide a sharper government has lost no time in pushing forward its proposals for regional development agencies. The idea is broadly supported by many business people in the regions and by local authorities. But careful thought Partnerships and the governis now needed on how the agencies will operate during the consultation period before legislation this autumn.

The Conservative government's centralising tendencies and fierce resistance to regional government produced a paradox: a flowering of local entre- in job subsidy bidding wars preneurial activity aimed at between regions for foreign local and regional economic

development. New partnerships between business, industry, local authorities and the voluntary sector have grown up - notably in the north-east and north-west. The partnerships were born of frustration with London's lack of local knowledge. Businessmen were also alarmed by the lack of regional voices in Brussels.

These informal groupings were fostered by the one decentralising gesture which the Conservatives did make - the creation of government offices for the regions in the regions. They were further strengthened by the bidding system for government and EU subsidies for urban regeneration.

out of these alliances. They will required to avoid these dangers.

The second secon

focus to the plethora of bodies which now have a stake in economic regeneration: chambers of commerce, Training and Enterprise Councils, Business Links, local authorities, English ment offices for the regions.

must not encourage an increase between Wales and Scotland over the LG plant provides a

A further complication will be the relationship between the agencies and the regional cham bers of councillors which the government is establishing as a possible precursor for full regional government. This idea north-east and extreme south-west, but arouses little enthusiasm elsewhere. With the government offices for the regions set to remain, the new agencies on the scene, and nonstatutory chambers of councillors becoming more active, the stage could be set for a tussle more about political control The new agencies must be than economic development. designed to preserve the best Careful scripting will be

They must avoid becoming another bureaucratic tier, which would prevent local enterprises from thinking for themselves. in promoting inward investment, the agencies direct investment. The battle

lesson of what to avoid. much favoured in the 200 face criminal charges. including murder, rape.

But while that would repre

The SEC's favoured idea for

t may go down as the start Ethiopia; and Mr Meles Zenawi of Ethiopia, whose forces helped of Africa's second liberation. The rebel takeover topple Mengistu Haile Mariam. that transformed Zaire Self-assured and well educated. into the Democratic indebted neither to Washington

Republic of Congo and disnor Moscow, they are unencumbered by the inferiority compatched President Mobutu Sese plexes that burdened a generaacross the continent and beyond. tion of post-colonial politicians. The leftist ideology of their youth The prospect that a country nearly the size of western Europe has been replaced by economic pragmatism, courting foreign position as one of the world's investors and privatising stateowned companies. They challenge what they see as the imposition of western models of But the victory of Mr Laurent democracy in return for aid though they accept the need for representative government. They

Kabila, Congo's new president, represents much more. He is the beneficiary of a new nationalism are scathing in their assessment of the Organisation of African at work on the continent. A Unity, arguing that it has been determined handful of leaders is ineffectual in its efforts to resolve challenging the orthodoxies that moulded post-colonial Africa, conflicts and promote developinspiring opposition parties ment. And they expect greater through the region, from the accountability from foreign nongovernment organisations, which anciens régimes of francophone Africa to the autocratic governthey charge with exercising

power without responsibility. The implications of the col-Together with President Jose Eduardo dos Santos of Angola. lapse of Zaire's regime – possibly the most important event in who gave military and logistical Africa's post-colonial history support to the rebels, it was these after the dismantling of apartmen whose influence was deciheid in South Africa – go still sive as western governments a new, more assertive, relationof the final phase of Mr Kabila's ship with the western governadvance on Kinshasa.

Time and again, the US and "They will have to come to France were rebuffed, while South Africa - trying to bridge terms with a more confident generation of African leaders deterthe gap between Mr Kabila's backers and the west - was mined to apply African solutions equally unsuccessful in trying to to African problems," says Ms divert the rebel leader from his objective: the unconditional surrender of Mr Mobutu. The days body that monitors political when western powers, particularly France, were able to control cans" are the men who helped

events may be gone forever. Meanwhile, UN and foreign aid agencies were being given equally short shrift as they complained about lack of access to ecores of thousands of Rwandan refugees in eastern Zaire, whose ranks include the armed Hutu militia responsible for the

Rwanda genocide of 1994. Aid had to take second place to dent Issayas Afeworki, who led security, said the rebels, bluntly rejecting pleas for better access Eritrea to independence after a to the refugee camps. It was a

tial agencies, accustomed to being deferred to. "For the first time in their history, the 'humanitarian imperialism' of the UN agencies and the NGOs has been stopped in its tracks," says Ms

Ripples of a revolution

The rebel victory in the former Zaire has implications for the

whole of Africa, write Michael Holman and Michela Wrong

"The west no longer has a clear strategy on Africa," argues one of President Museveni's advisers. The combination of the end of the cold war and the continent's economic marginalisation has led to the disengagement of Washington, London and Paris. The implications are profound, he says, particularly for francophone Africa.

The regional meeting in Libreville, Gabon, that was staged in the closing days of Mobutu's regime - nicknamed the "dinosaurs' summit" – was a who's who of sclerotic regimes with reason to fear the likes of Mr Kabila. Gabon, Cameroon, Togo and the Central African Republic all have autocratic leaders heavily dependent on French support - political, military or financial - to rein in their restive populations and

or them, France's failutu, coming so soon after the loss of French influence in Rwanda, sounds like the tolling of the bell. For some, such as Congo (Brazzaville) or the Central African Republic, that abandonment by Paris comes when they are also facing security problems triggered by the Zairean crisis.

The former French Congo, now ruled from Brazzaville, is a tiny nation of 3m people whose government's hold on power is fragile now risks being destabilised by the influx of Mobutu supporters. Zairean presidential guards and former Rwandan soldiers who crossed the river as Kinshasa fell.

Central Africa is also being flooded by members of the equatorial tribes once loyal to Mr Mobutu, fleeing the advancing rebels. Just as Rwanda's civil war finally dragged Zaire in its wake, Zaire's uprising could

profound shock for the influen- eventually spill over into its Zaire and northern Zambia. northern neighbours.

regime in Sudan, waging war

against southern-based rebels, could be next in line. Uganda, Eritrea and Ethiopia are already backing Mr John Garang's Sudan People's Liberation Army. Kenya, for so long Britain's most-favoured ex-colony in Africa, is another whose government must be looking anxiously over its shoulder. While President Daniel arap Moi is no Mr

Mobutu, danger signals include wide-ranging official corruption and high unemployment. The speed with which Nairobi, which had resolutely snubbed Mr Kabila, rushed to recognise the new regime in Kinshasa indicates

the level of nervousness there. discontent over increasing corruption and also the power in the world. heavy-handed methods of Presi-70s, but showing no signs of will- already under criticism at home ingness to hand over to a and abroad for his domineering

particularly vulnerable as they as a result of the rebel takeover. Uganda, Rwanda and Burundi are all beneficiaries of the overthrow they helped initiate, having dispersed the rebel groups that preyed on their borders. In Rwanda, though, that gain is offset by the security problems it has brought within its frontiers. along with hundreds of thou-

sands of returning refugees. In Angola, President Dos Santos is already taking advantage of the new dispensation. In the last few days he has ordered government troops into areas held by his old rival, Mr Jonas Savimbl, the Unita leader. Unita has now lost its rear bases in Zaire. which Mr Mobutu has been providing ever since the Angolan

civil war began in the mid-1970s. Stability in Angola should pave the way for the rehabilitation of the Benguela railway, which links the Angolan port of Lobito

with copper mines in southern

But this is only a small part of The rumblings could be felt the movement for regional even further afield. The military co-operation, embracing central and southern Africa, that a wellrun Congo could trigger. One of the first steps the new govern-

ment is expected to take is to apply for membership of the Southern African Development Community, the 12-country group established in 1980, as well as play a greater role in efforts to increase economic co-operation in east Africa.

Eskom, South Africa's national electricity utility, has already drawn up a blueprint which links all the countries of the region into a network of powerlines reaching as far north as the Inga dam on the Congo river. The plan is to harness the huge hydroelectric potential of the region's riv-In Zimbabwe, there is growing ers, including the Zambezi, to produce some of the cheapest

dent Robert Mugabe, now in his the performance of Mr Kabila, younger generation of politicians. style and treatment of the Rwan-These countries will be feeling dan refugees. If he models himself on Mr Museveni, however, register the advantages Mr Kabi- building a broad-based political reforms that helped Uganda rebuild an economy devastated by war and mismanagement, the great mineral and agricultural potential of the country could be realised. Like Mr Museveni, he is likely to drop the Marxist values that shaped him in the 1960s and come to terms with the market forces that drive today's globalised economy.

This would in turn bring closer Mr Museveni's objective: regional economic integration, which he has said "could eventually lead to political union of east and central Africa".

But should Mr Kabila fail, the consequences would be profound. The continued collapse of Congo would deal a devastating blow to hopes for the region. Above all it would demonstrate that, in the search for an African solution to Africa's ills, Mr Musevent and his allies have bitten off more than

OBSERVER

Trouble brewing

Meyer Kahn, just appointed the first civilian boss of South Africa's beleaguered police service, is used to getting his own way. Known to colleagues as "the boytjie from Brits" - the boy from Brits, the remote north-western town where his parents settled after emigrating from Lithuania - he loves a good

Scrap.

Re is also fanatical about the

job in hand. "Everyone should

drink beer," he says, in his role as chairman of South African Breweries, the world's fourth largest. "I even resent the milk on my children's cornflakes." His determination will be tested in his new job, and not just because he is the first Jewish head of a force in which anti-Semitism has always been strong. The 57-year-old industrialist will pit his skills against the criminal syndicates whose grip on the new South Africa rivals Colombia and Russia: Even among the force's elite 1,800 strong VIP protection arm, crime is rempant. Nearly

kidnapping and armed robbery, and 120 have criminal records. Kahn's decision stunned his peers in the South African corporate world, though they

have long grumbled that the police should be run in a more business-like manner. He will remain on the board of SAB, and friends say he is likely to donate his police salary to charity. Unlike South Africa's abysmally paid cops, Kahn will not feel the loss of the cash dispenser which was until recently a handy facility on the fourth floor of the

right under their noses. Bank in credit

grim police headquarters in

Pretoria, It was stolen, from

Foreign investors return to Poland's 127-year-old Bank Handlowy today for the first time since the second world war, taking up to 43 per cent of the stock as the bank's privatisation gets under way. Handlowy is no stranger to close relations with foreign banks - before the war Banca Commerciale Italiana and the defunct British Overseas Bank were both shareholders. After 1945 it specialised in foreign trade transactions and in the 1970s acted as the agent for the government as Poland ran

up its \$20bn debt. But there is one foreign bank which claims an affectionate place in Handlowy's corporate memory, if banks have such things. It happened during the terrible occupation of Warsaw by the Nazis, who decreed in 1942 that the Polish banking

industry would be disbanded: the juicy bits would be merged into German banks, other banks would close:

Accordingly a representative of Deutsche Bank, chosen by the German government to take over Handlowy, arrived in Warsaw - and informed the astounded management that Deutsche did not agree with its government's position. To keep the authorities happy, Deutsche would install an "observer" and this presented "no threat to the

Handlowy".
The Handlowy's official history records that the observe did indeed do nothing. The bank survived, only to be nationalised under the Soviet-imposed postwar regime.

Film fun

Rod Tidwell, the garrulous American footballer played by Cuba Gooding Jr in the film Jerry Maguire, didn't know how wrong he was when he employed some choice Anglo-Saxon terminology about sportswear maker Reebok, and added: "All

they do is ignore me." Reebok was paying enough attention to bring a \$120m lawsuit against Tri-Star Pictures, the film's makers, for breach of contract. Reebok says Tidwell was supposed to land a Reebok endorsement contract at the end of the film. The scene was

apparently shot, but ended up on the cutting room floor.

By the time Reebok found out, it had already launched a promotion tied to the footballer a wide receiver, since you ask. It was too late to stop the promotion, says Reebok. although it did drop a television commercial featuring Gooding. who won an Oscar for his performance in the film. The case is coming in August to a courtroom near you, if you happen to live in Los Angeles.

Beating time

■ If everyone at Daimler-Benz is singing the same tune after the upheaval which saw former Mercedes boss Helmut Werner head for the exit and the carmaker fully absorbed into the parent company, they're doing better than the entertainers at the opening of the group's new factory in Alabama.

The dancers and singers appeared to be having some trouble keeping time to the toe-tapping ditties written for the occasion. Understandably, the authors had mentioned Mercedes quite a lot, but the three-syllable word had to be thrown out and replaced with two-syllable Daimler at the last minute. Hope Mercedes is fitting into the group better than Daimler filled the gaps in the otherwise catchy tunes.

Pinancial Jimes

100 years ago Discovery Of Petroleum Wells The Amsterdam Stock

Exchange is celebrated chiefly for its remarkable skill in buying American Rails at the top and selling them at the bottom. Apart, however, from this idiosyncrasy, it is a cool, level headed Bourse, and our Consul informs us that it was not much disturbed in 1896. One disturbing influence. which weakened the desire of the Dutch to purchase their own Consols, was the discovery before the close of the year of petroleum wells on a large scale in Java and Sumatra. The public subscribed eagerly to several enterprises formed for working these wells, but it is too early to say yet whether the public or the petroleum will be exploited.

Dutch Trade Pact An agreement bas been signed between Holland and the Russian zone of Germany for an exchange of goods at the rate of Fls.20,000,000 annually. Dutch imports from the zone will include machinery, potash, timber, paper, glass, pottery and chemicals. Dutch exports thereto will include super-phosphates, fish and

RING Now: 01753 897211

SEC considers reform to cover online markets to retain

Plans could encourage exchanges on internet

By John Authors in New York sion chairman, said: "We are start regulating the activities

The Securities and Exchange Commission, the US regula- to markets that have changed tory authority, is considering the most sweeping revision in than they have since they its 63-year history of its powers started in this country." to regulate the securities mar-

The move is a response to the increasing influence of on- tions in Nasdaq securities and line trading and alternative 1.4 per cent of volume on the exchanges such as Instinct and New York Stock Exchange. Bloomberg.

ered could encourage the for- and dealers by the National mation of stock exchanges on the internet, reduce the regula- ers. tory burden on small stock exchanges and allow the nation's largest stock exchanges more flexibility.

They could also allow foreign stock exchanges to do director of market regulation.

more in the past five years

Alternative exchanges and dealing systems now account for some 20 per cent of transac-

The SEC wants to reduce the burden of regulation on alternative exchanges and dealers, by establishing a tiered framework through which small

Association of Securities Deal-

starting down a road I believe of US companies which offer will make us more responsive US investors "entry points" to invest in foreign markets.

The proposals for a three-ties system of regulation could allow small exchanges covered by the lowest tier of supervision to set their own rules.

The commission is looking at a wide range of options for "second-tier" exchanges, which could include exempting Bloomberg. Most of these are regulated them from some regulations. The changes being considing the same way as brokers imposed on established markets. The SEC is also considering reducing or eliminating requirements on them, while discussing new ways of overfully-automated

> A third tier of traditional exchanges registered with the commission would continue to be regulated in the same way.

exchanges can progress as business in the US, said Mr they grow larger - with the Richard Lindsey, the SEC's highest tier currently reserved for established markets. The A European extranet, Page 11 Mr Arthur Levitt, commis- commission also wishes to Formula One organisers

By John Griffiths in London

Plans for the \$3.2bn flotation ing teams have also expressed of Formula One Holdings, the private doubts about the motor racing series controlled by Mr Bernie Ecclestone, were still on track yesterday in spite of a row with leading racing teams over the terms of the float, according to Mr Eccles-

At yesterday's Spanish Grand Prix, Salomon Brothers. the investment bank advising Mr Ecclestone, dismissed the teams' opposition to the float as "internal squabbling". It say the final prospectus of the TV cash? It's a nonsaid threats to pull out of the sport were "hollow".

But one disgruntled team official muttered en route to the Barcelona race track: "Bernie can have all the TV deals he likes, but you can't have Formula One without the

Three leading motor racing teams are fighting behind the a token equity stake in Forscenes for changes in the terms of the flotation to give themselves a higher share of

rights and a bigger stake in top driver Jacques Villeneuve the public company. Other rac-

insist float will go ahead

equity share-out. The first draft of the prospectus for Formula One Holdings, which includes all the commercial activities controlled by Mr Ecclestone, F1's promoter, is due to be handed to the London Stock Exchange

Mr Ecclestone's advisers are adamant the flotation of F1 is "on the conveyor belt". They will be published towards the end of June, with the flotation possibly complete by the British Grand Prix on July 13.

The advisers say the terms of the agreement between the teams and the organisers of F1 over revenues give none of the teams any formal right to even mula One Holdings.

They suggest that the dissident teams, notably McLaren the revenues from television Tyrell and Williams – whose ued at about \$3.2bn.

leads the championship after winning at Barcelona yesterday - might not like it but there is little they can

"Do you seriously think that

Mercedes-Benz or Renault, who have invested heaven knows how many millions in engines, or sponsors who have paid fortunes for global exposure, are really going to let teams pull out because they have an internal squabble with the promoters over their share starter and they know it." said one flotation insider.

The teams want a bigger equity stake in the floated company than the 1 per cent each allocated in the prospectus.

Analysts also are awaiting clarification in the prospectus of the division of revenues.

Digital pay-per-view TV could boost F1's turnover from last year's \$320m to over \$1bn, which is why the float is val-

of the population.

Brewery chairman to head SA police

Continued from Page 1

policy. A leading member of the South Africa Foundation, a lobby group representing big business, he led calls for more rapid liberalisation of the economy and urged drastic measures to restore law and order. country's biggest black-owned

Big business vesterday applauded his appointment. The son of Lithuanian emigrants, Mr Kahn was born in Brits, a provincial town in the Fivaz, national police commis-

Europe today

France and the southern UK.

north-western UK as well. The rain will move into norther Germany during the evening.

and Italy will be sunny. Five-day forecast

UK will become sunny.

rain after Tuesday's sunshine.

ement style and frank way of speaking have earned him the nickname "the boytjie [boy] from Brits" among colleagues. "He's the right guy to knock out the criminals," said Dr Nthato Motlana, chairman of New Africa Investments, the

Mr Mbeki said the appointment would enable Mr George

north-west. His hands-on man- sioner, to concentrate on tackling crime. He has previously opposed private sector involvement in managing the police. Overall responsibility for administrative duties will pass

to Mr Kahn. Mr Kahn will inherit an organisation in disarray. In a recent internal survey commissioned by Mr Fivaz, 69 per cent of officers said police management had "no clue" about con-

FT WEATHER GUIDE

Outgoing president influence

Mr Khatami, who is seen as a moderate, won 70 per cent of more than 29m votes cast from an electorate of 32m. He defeated his nearest rival and leading candidate Mr Ali Akbar Nateq-Nouri, speaker of the majlis, or parliament, by

Mr Nateq-Nouri had been endorsed by most of the country's top leadership including Ayatollah Khamenei, Iran's spiritual leader, and President Rafsanjani himself.

four-year term expires in August, is constitutionally barred from a third term.

Iran's president has the number two slot to Ayatollah Khamenei in the constitutional hierarchy of power. The degree of power wielded by the president depends on how well he can manage his way through a maze of checks and balances. The scale of Mr Khatami's victory, the size of the turnout

majority.

It was expected that the election would go to a run-off and that Mr Nateq-Nouri would

Power balance will test

in Iran By Robin Allen in Tehran Mr Hashemi Rafsanjani,

outgoing president of Iran, yesterday signalled to Mr Mohammad Khatami, surprise winner of last Friday's presidential elections, that he would retain a strong influence over the country's leadership.

almost three to one.

Mr Rafsanjani, whose second

At a press conference vester-

day, he said he would continue to "assist the cabinet of Mr Khatami" through the powerful Council of Expediency. This body was set up by Iran's revolutionary guide and mentor, Ayatollah Ruhollah Khomeini, in the early 1980s to mediate when there was disagreement between the mailis and the keeper of Iran's constitutional virtues, the Council of Guardians.

and the speed with which Mr Nateq-Nouri accepted defeat surprised both Iranians and foreign analysts. Voters and analysts in Tehran and the provinces had reckoned on neither of the two main candidates gaining an absolute

emerge the winner.

More than half of Iran's official 69.9m population is under 30, and the minimum voting ent at the start of the official campaign on May 10 that Mr Khatami, a 54-year-old former minister for Islamic guidance and culture, had a greater appeal among the under-30s who make up some 40 per cent

Iranian analysts say he made effective use of the statecontrolled television and the

Khatami, Page 3

A large area of western and central Europe will be sunny and dry with temperatures below 20C except in Cloud will move in from the northwest, bringing rain to Norway and Denmark. Some rain is likely in the Rain, heavy at times with occasional thunder, is expected over southern Bulgaria will be showery. Heavy rain and strong winds are expected interior parts of Spain will have showers, some thundery. Greece Cool air will again enter central France will stay dry and sunny. The Thunder showers will continue over The Balkan states will have heavy

cloudy 19 shower 17 fair 17 fair 23 thund 19 fair 33 sun 20 fair 17 Accra Algiera Amsterd Athens Atlanta B. Akres B.ham Bangkok Barcelor thund 23

No global airline has a younger fleet.

Lufthansa

Farro
Frunkfult
Geneva
Geneva
Geneva
Geneva
Geneva
Geneva
Geneva
Geneva
Hamburg
Healsinkt
Hong Kong
Henolufu
Istenbul
Jalkerta
Jarsey
Karachi
Kuwatt
L. Angales
Las Palmas
Listeon
Listeon thurid 26 sun 29 sun 27 fair 18 shower 36 shower 26 fair 15 cloudy 13 sun 23 fair 24 shower 30 fair 21 sun 25 fair 31 rain 10 Hangoon
Reykjevik,
Ric
Rome
S. Frece
Seoul
Singapore
Stockholm
Strasbourg
Sydney
Tangler
Tolkyo
Toronto
Vancouver
Verlice
Verlice
Verlice
Verlice
Wassaw
Wassington
Winnipeg
Zurich thund 23 THE LEX COLUMN

Media machinations

Mr Silvio Berlusconi has had a whirlwind career in Italian politics, but the turbulence appears to be paying off. Last week's agreement on a regulatory authority to cover telecoms and media got only a gradging welcome from Mr Berluscont's Mediaset, but it looks like a resounding victory. The agreement legitimises his business position. It allows Mediaset to keep three channels at least until next April and probably for much longer - he was supposed to dispose of one last August And the company can now build a digital TV platform and bid for the third mobile phone licence. That is not to say that Mr Berlusconi should retire from politics just yet. The law is not yet passed, the regulator has not yet been appointed - and the regulator could make Mediaset's life tough. There are subjective judgments to be made on whether there is enough of a satellite audience in Italy to force Mediaset to turn the Retequatiro channel into a satellite channel. Other issues to be addressed include the level of advertising saturation on Italian channels, which is one of the highest in Europe. And once the current TV structure is

Maastricht convergence criteria. The share price reaction looked a little frugal. But given the opacity of the company, its regulatory uncertainties and legal difficulties facing many of its directors, it is still hard to see it as a compelling long-term investment.

formalised, the government could

consider charging users for spec-

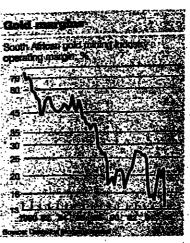
trum - and the treasury needs all

the revenues it can get to meet the

South African mining

Mr Cyril Ramaphosa, one-time radical black politician and miners' union leader, is very much flavour of the moment in corporate South Africa. Not only is he preparing to take control of Gold Fields, the mining house founded by Cecil John Rhodes. Yesterday he was named acting chairman of South African Breweries for the next two years. while Mr Meyer Kahn, the present ation is certainly on the cards, but incumbent, tries to sort out the South African police force.

Certainly, these are revolutionary it is not so much the start of the revolution as its maturation. The roots are found earlier in the decade, when six mining houses -



then Rand Mines has disappeared. insurance company Sanlam has relessed its hold on Gencor, and

Angle has let go of JCI. For all South Africa's high-octane politics, the change has been driven by economics. Rising costs and a stagnant price have driven operating margins in the gold industry down to the low teens from 40 to 50 per cent a decade ago. With swathes of capacity unprofitable at this level, minds have been wonderfully concentrated. The outcome has been a ferment of innovation, from mineral swaps, to restructurings, to novel productivity arrangements. With Mr Ramaphosa standing on

the threshold of Gold Fields, and JCI under Mr Mzi Khumalo, the focus has shifted to black empowerment. It has been accelerated by the paucity of white talent. Had Gold Fields and JCI had stronger managements. Mr Khumalo and Mr Ramaphosa would have faced tougher battles for control.

Neither the mooted tie-up between JCI and Lonrho, nor Mr Ramaphosa's accession to Gold Fields, are faits accomplis. But both are likely. Competing bidders could yet force Mr Ramaphosa to pay more for his Gold Fields stake than he would like, but the desire of Rembrandt, the controlling shareholder, for a black empowerment deal is unlikely to be thwarted. As for JCI/Lonrho, a tussle about valuthere is a coincidence of interest which is likely to see the deal done.

At one level, these deals are no times in South African mining. But more than a swapping of management roles and assets among locals. But this would be to underestimate their significance. Mr Ramaphosa and Mr Khumalo both face a heavy Anglo American, JCI, Angiovaal, burden of expectation. If they are Gold Fields, Rand Mines and Gen- unable to effect a revolution in procor - dominated the scene. Since ductivity, the outlook for the South

African industry is grim indeed. If they succeed, investors could profit handsomely...

demlin pla

. we want

Ball To and the same of the sa

-43°## #

100

S 100 or 12 18 18

12 8 15 5 A 100

1- 5, tr. 10

- 1 353

45 45 **FE**

- ----

TOTAL DOOSES CONTINUE

Whatever happens on the mining front, the real prizes in South Africa's corporate restructuring lie on the industrial side. Within companies such as Amic, South African Breweries and Rembrandt, huge pools of value are waiting to be unlocked. It is a matter of when rather than if this process starts. The changes under way in the mining sector will certainly spread wider - the recent unbundling of Malbak being an example of what lies ahead.

The big catalyst for change, of course, will be the abolition of exchange controls. When that arrives, structures which make tennous sense now will cease to have any relevance.

Japanese equities

Japan's corporate results season is throwing up some pleasant surprises. Recurring profits from the nearly 700 companies that have reported so far have risen by 17 per cent, against forecasts of a 10 per cent increase. That has helped the Nikkei 225 index creep back up above 20,000, a jump of 14 per cent in less than two months.

Investors should remember, however, that this is still a two-tier economy. The export-oriented "nifty" stocks, boosted by yen weakness, are declaring record numbers. Toyota's operating profits nearly doubled while Matsushita's pre-tax earnings more than quadrupled. More domestic manufacturers, meanwhile, are benefiting from cost reductions. Japan's top five steel companies cut Y220bn \$1.9bn off their combined costs last year, helping them overcome weaker prices. But average profits among nonmanufacturers actually fell 4 per cent, even ignoring financials, many of whom are still reporting

With the yen starting to strengthen against the dollar, Japan's exporters will find the going more difficult this year. And while April's tax rises do not seem to have thrown the domestic economy back into recession, growth is still expected to slow from 3 per cent to perhaps 1.7 per cent in 1997 98. As a result, average profit growth will slow to less than 10 per cent this year. That suggests that on 45 times prospective earnings, the Nikkei's progress will be more

Saluting 50 years of freedom with yet another spirited performance.

Bajaj Auto races ahead on the road to success, despite a difficult second half for the industry, recording further growth in production, turnover and profit for the year ended 31st March, 1997.

Audited Financial Results for the year ended 31st March, 1997.

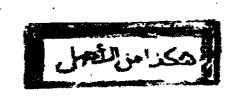
	-Year ended March 31, 1996 (Ra. in millions)	Year ended March 31, 1997 (Rs. in millions)	Year ended March 31, 1997 (US\$ in taillions)
Net Sales/Income from operations	27,938.0	32,441.2	983.483
Other income	1,382.4	2,099.8	58,474
Total facome	29,320.4	34,541.8	961.877
Total expenditure	22,553.1	26,518.5	738.471
Interest	99.0	<i>7</i> 3.1	2,936
Gross profit after interest but before depreciation & taxation	6,688.3	7,949.4	221.370
Depreciation	737.1	1,178.7	32.824
Profit before tax	5,951.2	6,779.7	188.546
Provision for taxation	1,779.0	. 2,365.0	65,859
Net Profit	4,181,2	4,405.7	122.687
Profit after prior period adjustments	4,168,4	4,399.6	122.517
Paid up equity share capital	795,9	795.9	22.164
Reserves (excluding revaluation reserves)	13,287.9	16,811.1	468.145
Earnings per share (Rs./US\$)	52.37	55.28	1.539
Cash Earnings per share (Re/US\$) NOTE: 1. The above results have been taken on rec	61.63	79.98	1.952
2. Dividend recommended 100% 3. The total two and three wheeler product 1,422,849 respectively. The correspondits. 1,307,211. 4. The total exports of the Company for the 5. In view of there being no new lease trans	ction and sale during the ping figures for the year en	year eaded March SI, I aded March SI, 1996 w	997 was 1,439,174 an vere Rs. 1,302,031 an

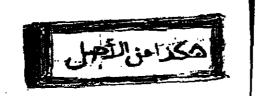
BY ORDER OF THE BOARD OF DIRECTORS

MUMBAI, INDIA DATE: 14th May, 1997 CHAIRMAN & MANAGING DIRECTOR Production up by 10.5 % Turnover up by 17.8%



6. The conversion rate for currency has been taken as US\$1 = Rs. 35.91







FINANCIAL TIMES

PANIES & MARKETS

Monday May 26 1997 THE FINANCIAL TIMES LIMITED 1997



Gremlin Interactive, one of Europe's leading publishers of video and computer games, is planning a £45m-£50m (\$73m-\$81m) flotation to fund acquisitions and new product development in the entertainment software industry. The company, which publishes titles such as Zool and Realms of the Hounting, aims to use funds from the placing to win a greater share of the international games market - worth an estimated \$6.4bn a year. Page 18

Paribas restructures in Belglum Paribas, the French financial group, has announced a turning point in its Belgian operations with the sale of its retail banking activities and a restructuring of other businesses. Paribas wants to focus on two core businesses - international investment banking and specialist financial services. Page 18

Ukraine moves to allay investors' fears Ukraine has reassured foreign investors attracted to the country's fledgling Treasury bill market by vowing to keep its currency - the hryvnia - within a corridor of 1.7 to 1.9 against the dollar. Interest in the market was heightened when Kiev announced the corridor earlier this year, but some buyers fear the band may not come into force until after the passage of the 1997 budget by parliament. Page 22

Cellular phones lift NTT

A strong contribution from cellular phone subsidiaries helped NTT. Japan's dominant telecoms carrier, lift sales and profits for the third year running. The telecom group's sales in the year to March rose 2 per cent to Y8,821.8bn (\$76bn) and pre-tax profits gained 5 per cent to Y444.6bn. Page 18

Commerzbank boosts equities business Commerzbank of Germany is building up its investment banking operations by boosting its international equities business and planning a new trading floor in Frankfurt. It has hired Mr Mehmet Dalman, former head of Deutsche Morgan Grenfell's equities operations in Tokyo, to lead its global equities operations. Page 18

Italy to retain 51% of Eni

The Italian Treasury will keep its stake in Emi, the oil, gas and petrochemicals group, above 51 per cent when it sells a third tranche of shares next month. The decision allows the centre-left Prodi government to head off political pressure to retain control of this strategic asset, which is the seventh-biggest publicly traded oil company in the world and the largest by market capitalisation in Italy. Page 18

Serbian bank plans \$50m placement Serbia's state-owned Beogradska Banka plans to raise up to \$50m through a private placement with a London-based bank, the first such loan since sanctions against Belgrade were lifted last year. Beogradska said the six-month loan carried a monthly interest rate of about 3 per cent. reflecting Serbia's high-risk status. Page 18

Mazda, the Japanese carmaker which is 33.3 per cent owned by Ford, forecast a return to operating profit in the current year, despite a decline in sales and another operating loss in the year to end-March, amid competition in Japan. Mazda said cost cutting and sales of new models

would help it return to profit this year for the first time in five years. Page 18 PensiCo to sell distribution unit

PepsiCo, the US drinks and snacks group, is to sell PFS, its restaurant supply distribution unit to AmeriServe Food Distribution, a subsidiary of Holberg Industries, on undisclosed terms. The combination of AmeriServe and PFS would create the largest food service systems distributor in the US, with more than 5,000 employees and 1997 sales expected to exceed \$5.4bn. Page 18

Eff in FFr1.2bn share buy-back Elf, the French oil group, has paid FFr1.2bn (\$210m) to buy back 0.7 per cent of its own shares from Axa-UAP, the insurance group, in a further move towards the restructuring of the country's large corporate shareholdings. The move on Friday came the day after Renault, the car manufacturer, sold its 0.9 per cent stake in Elf back to the company for FFr1.5bn. Page 18

Dresdner Bank profit up 10% Dresdner Bank, Germany's second-biggest bank, turned in a lower first-quarter profit increase than its two main rivals, but said this reflected the comparison with a buoyant start to last year. Operating profits before risk provisions rose 10 per cent to DM991m (\$586m). Page 18

Companies in this issue

18 Iberia 4 Inter-Continental Aerospatiak 18 J.P. Morgan AmeriServe 19 Kimberley-Clark Anglien Wate Axa-UAP 18 MMAR Group Maxxam Bank Handlow Mazda Mitsubishi Electric Beogradska Banka Botish Aerospace NIT British Airways National Power Cathay Pacific Nigeria Airways Citic-Pacific Nissan Motor Citicorp Commerzbank PepsiCo Dow Jones **PowerGen** Dragonair Proton ECE Renault Rolls-Royce EMI 18 Siebe E¥ 17 Thomson Fidelity Investr 18 Toshiba Fuy Photo 4 United Utilities General Electric 3 Vanguard General Motors 18 Volvo Gramin interactive 19 YTL

kttp://www.FT.com Market Statistics London sitare service

Managed funds service 38-30 19 Money markets 25) New inti bond issues

27 World Stock Market indices

27

22

Gremlin plans to Citicorp to set up fund team

raise up to \$81m Bank hires high-flyer and rejects plans to purchase fund business

By John Authers in New York Citicorp has abandoned plans

to buy a fund management business and decided to build its own. The US bank has recruited Mr Peter Carman, former head

of equities at Boston-hased Putnam Investments, to be its new chief investment officer, in the hope that he will attract other high-powered money Putnam has been one of the increasingly significant figures

in the US mutual fund market in the past few years. Mr Carman has been its chief of equity investments since 1993. Mr John Reed, Citicorp's chief executive, said the appointment was "part of an expanded commitment on our part to build an absolutely first-class investment manage ment competence completely within the company".

When speaking to analysts this year, Mr Reed had said Citicorp, which already manages almost \$120bn in assets, was interested in buying a fund manager to help boost its portfolio of retirement savings products. This would have followed the trend set by several other US commercial banks in the past few years and helped it to participate fully in the currently booming US mutual

Putnam sold more mutual funds through intermediaries than any other company last year. Its overall sales came second only to Vanguard, a direct marketer, and were ahead of its Boston rival Fidel- managers.



John Reed, Citicorp chief executive, embracing the development of a home-grown fund management business

leader of the industry. Under Mr Carman and others. Putnam has championed the "team" investment style, with stocks screened using quantitative techniques, and final investment decisions being taken by groups of fund

ity Investments, a long-time departure from the traditional ment business system of giving autonomy to individual fund managers, but made it popular with pension fund managers, brokers and

Mr Reed seems to have

This method was a strong corp's investment manage- mental analysis and rigorous

He said: "We look to Peter to draw on his experience in building and shaping a teamoriented investment process, where portfolio managers are complemented by a state-ofdecided to adopt Putnam's the art research capability that

quantitative techniques. Putnam announced that Mr Carman would be replaced by Mr Tim Ferguson, a former chief executive of County Nat-West Securities and HSBC Asset Management in London. who joined the company last

Serbian banks join forces to solve debt problems

By Guy Dinmore in Belgrade

Serbia is to try to restructure its ailing banking system with the formation of a new bank-

ing group. The state-owned Beogradska Banka has announced the formation of a group of at least 20 banks to be called the Beogradska Banka Group. It is hoped the new group will restore confidence in the country's banking system and attract foreign

The group plans to centralise international payment and credit operations. It will set up a rehabilitation agency to tackle repayment of its com-bined debts, which Mrs Borka Vucic, acting managing director of Beogradska, has estimated at \$3.6bn.

Mrs Vucic said part of the debt could be repaid through debt-for-equity swaps, in which three large international banks had shown interest.

The newly formed group will also try to collect more than \$1bn owed to Yngoslavia by

"With a reduced capital outflow, collected claims and fresh external capital, we can put an end to 15 years of net capital outflow and ensure growth," Mrs Vucic said.

Mr Mirko Marjanovic, prime minister, said he was confident that the strengthened Beogradska group could resolve the restructuring of Serbia's debts. Mrs Vucic, a confidante of President Slobodan Milosevic, said Serbia needed foreign banks to help restore confidence in the banking system and lure an estimated \$2bn

She said the formation of the new group was a step towards privatisation of Yugoslavia's

"from under mattresses and out of safes" back into the

However, political commentators doubt whether Mr Milos evic's ruling Socialist party has a real commitment towards privatising its banks. They noted that directors of Beobanka, Yugoslavia's biggest commercial bank, had so domestic investors, who are far refused to join the new group. Beobanka is dominated by the hardline Yugoslav United Left allied to Mr Milosevic.

Observer, Page 15 Bank to borrow in UK, Page 18

Value of Poland's Bank Handlowy may reach \$1bn when sale starts today

By Christopher Bobinski

Price aims to draw domestic and institutional investors

Bank Handlowy (BH), one of Poland's largest banks, could be valued at up to \$1bn when it goes on sale today in central Europe's biggest privatisation of a financial institution. The share price of between

28 zlotys and 35 zlotys aims to institutional investors, and gives Bank Handlowy a price-earnings ratio slightly below the current average for stock for at least three years. financial institutions on the Warsaw Stock Exchange

In tandem with the govern-

ing touches to letters of intent reforms, it moved into corpo- for June 21. Domestic retail cost household deposits. with three foreign core inves- rate lending, where it now has investors will get priority in According to Mr Cezary Styptors, including J.P. Morgan, 9 per cent of the market, and the allocation and the bank the US investment bank. which is being offered a stake of about 10 per cent. BH hopes this week to reveal the composition of the group, which is retains 27 per cent of Poland's attract domestic as well as expected to include an insurer trade finance-related opand a retail bank, during presentations to foreign investors. The core group is to retain its BH was nationalised after

built a successful investment banking operation. The bank. whose net profit reached 530m zlotvs (\$168m) last year, still erations. Assets of 14.7hn 2lotys represent 12 per cent of the country's banking sys-

the war and given sole respon- will be announced on June 17. mum of \$150m should the offer sibility for foreign trade trans- with the allocation of the sell well at home.

ment, BH is putting the finish- actions. After the 1989 market 61.8m shares on offer planned hopes to attract between 200,000 and 300,000 through a investors, whose expertise and widespread media campaign. Domestic investors who sign up for shares early will also be given a 5 per cent discount. Foreign institutions, whose demand will play the key role in fixing the bank's price, could be left with just 15 per The final price of the bank cent of the bank worth a maxi-

sible move into retail banking to give the bank access to lowdepend on the three core financial support will be used to develop BH's corporate culture. BH also sets great store by having a big group of being given incentives to keep their stock for a year, enabling BH to retain its national char-

Generators plug in abroad

With their home market under the watchful and suspicious gaze of the electricity regulator, Professor Stephen Little-child, the UK's two big generators have had little choice but to invest abroad. But necessity has turned

into enthusiasm as National Power, the UK's largest generator, and PowerGen, its smaller rival, have taken advantage of growing opportunities in Asia, Australia, Europe and the US. National Power has now

spent nearly £1bn (\$1.62bn) in equity in foreign power ventures, two-thirds of which was invested last year alone; PowerGen is not far behind with planned equity investment abroad of about £700m.

"Within five years the total ontout from international projects where we have significant interests will approach the same level as current generation from our UK plants,"

By Simon Holberton in London said Mr Deryk King, Power- tition in its core business, Gen group managing director. PowerGen's UK power stations generated nearly 62TWh of electricity last year. By 2002 the company expects output from current international

> projects to be 46TWh. But foreign ventures have the capacity to surprise. National Power's annual results last week were overshadowed by reports that the Pakistan government wanted to renegotiate a 30-year purchasing agreement with the 1,292MW Rub power station,

in which the UK generator has a 25.7 per cent interest. The threat was dispelled but the question of how well qual- existing foreign operations to ified the UK generators are to compete abroad remained. Only recently National Grid

Group, owner of the highvoltage transmission system in England and Wales, was left looking foolish after it National Grid faces no compe-

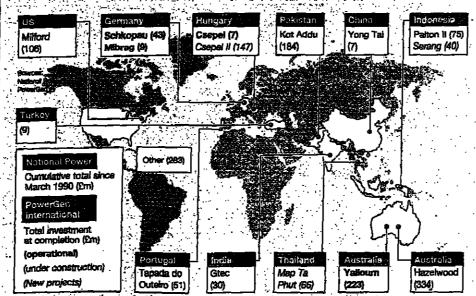
while the generators operate in probably the most competitive electricity market in the

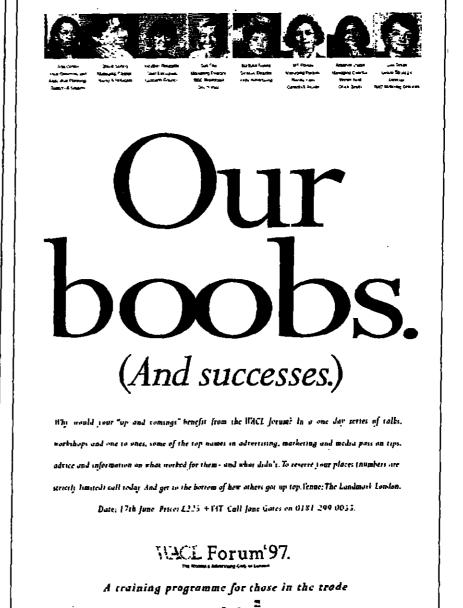
"International diversifies tion represents a sensible use of the generators' skills," says one analyst. "It is not something their existing investors could easily do themselves." But doubts linger as to

whether the returns on investment will be as big as prom ised. National Power said last week it expected its foreign operations to produce aftertax profits of £145m in PowerGen said it expected

produce operating profits of about £100m by 2001. The deals in Indonesia and Thailand announced last week would "reinforce earnings growth beyond 2001", it said. But last week's results from had to pull out of two interna- PowerGen showed only £12m tional transactions in a week. of overseas profits, and £8m of

Electric foreign investment





Axa-UAP reduces

Axa-UAP, the French insurer which formally merged into

a single group this month, has sold significant stakes in both Elf Aquitaine, the oil group, and Banque Nationale

de Paris, the banking group. The action comes as part of its policy to reduce a number of its large equity

Elf paid FFr1.2bn (\$210m) to buy back 0.7 per cent of its

investments following the merger, and at a time of a

own shares from Aza-UAP on Thursday, leaving the

insurer with 6.2m shares in the group, which represents

3.4 per cent of the capital and 5.5 per cent of the voting

The transaction came the day after Renault, the car manufacturer, sold its 0.9 per cent stake in Elf back to the

company for FFr1.5bn, bringing to an end its participation as part of a group of core investors in Elf at the time of its privatisation in 1994. Elf now holds more than 6 per cent

Separately, Aza-UAP said late on Friday night that it had sold 5m shares in BNP, cutting its stake to 9.5 per cent and weakening the historical cross-shareholding between BNP and UAP.

The latest deals follows the unwinding in the past few

months of the cross-shareholding between Elf and Suez, the flagship French conglomerate which recently merged

broader restructuring of French capitalism.

Elf, BNP stakes

INTERNATIONAL NEWS DIGEST

Gremlin to fund expansion with float

By Tim Burt

Gremlin Interactive, one of Europe's leading publishers of years ago, said the market was video and computer games, is planning a £45m-£50m (\$73m-\$81m) and faster still in the emerging flotation to fund acquisitions and product development in the China. fast-growing entertainment software industry.

The company, which publishes titles such as Zool and Realms of advantage of the acquisition the Haunting, aims to use the £10m-£12m raised by the placing to win a greater share of the In the past year, Gremlin has international games market - acquired smaller UK rivals DMA

worth an estimated \$6.4bn a year. Mr Ian Stewart, who invested £1,000 to co-found the company 13 growing at 25-30 per cent a year economies of south-east Asia and

"Despite the growth, the consolidating and we want to take wife, who will be joint chief opportunities that presents," he

undisclosed sums.

Mr Stewart, chairman, said it candidates for takeover.

The company also plans to more than double the output of new option," she said. titles from seven to 15 a year. In the meantime, Mr Stewart and software publishers are Ms Jenny Richards-Stewart, his

> executives of the quoted company, together expect to make £4m-£6m by selling part of their controlling

Ms Richards-Stewart said they

Design and Imagitec for would retain about 40 per cent of At the pre-tax level, profits last the company.

was seeking further similar trade sale and several venture year, the company made pre-tax capital proposals, but decided profits of 23m on sales of about coming to the market was the best

> games distributor which acquired 25 per cent of Gremlin in 1995, will hold a 10-15 per cent stake after the

Operating profits at Gremlin rose from £1.13m to £2.81m while sales increased from £7.54m to £11.3m in Gregory, is expected to be the year to July 31.

year rose from £839,000 to £2.87m. "We had approaches about a In the nine months to April 30 this £12m.

Stewart said the Мr Funsoft Holdings, the German improvement had partly been fuelled by demand for games such as Actua Soccer, the interactive football game, following last year's European football championships.

The placing, handled by Beeson completed early in the summer.

with the utilities group Lyonnaise des Raux. Andrew Jack, Paris

of its own shares.

PepsiCo to sell PFS PepsiCo, the US drinks and snacks group, is to sell PFS, its restaurant supply distribution unit, to AmeriServe Food Distribution, a subsidiary of Holberg Industries, on undisclosed terms. The combination of AmeriServe and PFS would create the largest food service systems distributor in the US, with more than 5,000 employees and

1997 sales expected to exceed \$5.4bm.

The sale of PFS, which distributes about \$3.4bm of food, equipment and other supplies to around 18,000 restaurants, is part of PepsiCo's strategy announced in January by which PepsiCo has focused on Frito-Lay, the snack business, and Pepsi-Cola, the beverage business, by spinning off its three large restaurant chains to shareholders and selling its smaller restaurant chains and Reuter, New York

BBV to split shares

Banco Bilbao Vizcaya became the third of Spain's big banks to announce a share split in order to attract more small investors. The bank proposed earlier this year to remunerate shareholders by reducing the nominal value of its share from Pta575 to Pta550. It has now called a special shareholders' meeting on June 19 to approve a move, first to increase the share value to Pta780 through a Pta51.69hn (\$362m) payment from reserves, and then to reduce it to Pta260, tripling the number of shares.

The move by Spain's largest bank by market capitalisation, follows a plan by Banco Santander to cut the nominal value of its share from Pta750 to Pta250. Banco Popular is also set to carry out a share split this autumn, reducing its nominal share value from Pta500 to David White, Madrid

Dresdner Bank climbs 10%

Dresdner Bank, Germany's second-biggest bank, turned in a lower first-quarter profits increase than its two main rivals but said this mainly reflected the comparison with a very buoyant start to last year. Operating profits before risk provisions rose 10 per cent to DM991m (\$586m). This compares with first-quarter increases of 21 per cent to DM1.37bn at Deutsche Bank (after provisions) and one of 20.5 per cent to D1.05bn at Commerzbank (before

However, Mr Jürgen Sarrazin, Dresdner chairman, said the result for the first three months was 25 per cent higher than one quarter of the full 1996 operating profit, a comparison that smooths out fluctuations during the year. He denied reports that the bank was interested in buying a stake in Deutsche Postbank, due to be in Degussa, the chemicals and metals company, to the Veba group would raise DM800m, netting it more than

Acer plans new products

Acer, the Taiwanese computer manufacturer, plans to boost the share of revenues derived from consumer electronics from 5 per cent to 20 per cent by the end of the decade. As part of this strategy it will launch new consumer products including GSM digital mobile telephones aimed at the European market, digital set-top boxes, wide-screen televisions, and an "internet appliance device" which will hook up to a standard television and telephone line and provide access to the internet's information resources. Acer is already a leading manufacturer of desktop and portable personal Paul Taylor, Taipei

Strong advance at Fuii Photo

Fuji Photo Film, Japan's largest maker of colour film and the world's second-largest, saw increased profits and sales for the year to March because of strong sales of its new advanced photo system and foreign exchange gains due to the weakening of the yen. The company's aggressive moves to expand sales in the US during the year underpinned a bitter trade dispute with its US rival, --Eastman Kodak. The two are now fighting their case before the World Trade Organisation. Fuli Film's recent announcement that it would invest about \$200m to build its first film-manufacturing facility in the US has intensified that rivalry.

In the year to March, Fuji Film's consolidated recurring profit rose 22.2 per cent to Y160.3bn (\$1.38hn) on sales of Y1,252bn, up 15.4 per cent. After tax profit rose 17.1 per cent to Y85.3bn. The dividend will be lifted Y1 to Y22. Gwen Robinson, Toloyo

Volvo heavy truck sales fall

Volvo has underlined the continued weakness of its heavy truck operations with figures showing annualised sales down 7 per cent in the first four months. The Swedish group sold 21,047 vehicles, compared with 22,585 at the same stage last year. Worst hit were its European sales. where revenues slumped 14 per cent. Volvo said, however, that orders had risen and deliveries had picked up in the past month. It reaffirmed a forecast that the total European market would this year be between 160,000 and 170,000 vehicles

In North America. Volvo's sales rose 4 per cent but its market share was unchanged. The group has incurred... heavy losses in the US following a sharp drop in the market last year. It said the deficit was being improved by reducing costs, but gave no indication of when break even would be reached. Greg McIvor, Stockholm

Weak debut for YTL shares

YTL Power International, the power subsidiary of Malaysia's YTL Corp with interests in Zimbabwe and China, made a lacklustre debut on the Kuala Lumpur Stock Exchange, due partly to weak market sentiment and partly to the fact that the company is something of an unknown quantity. The company's share price rose 80 cents, or 8.8 per cent, to close on Friday at M\$3.70, after hitting M\$4.50 shortly after the market opened. The initial public offering was oversubscribed more than two times, James Kynge, Kuala Lumpa



Pete Postlewaite, Stephen Baldwin and Gabriel Byrne (left to right) in "The Usual Suspects", which was produced by Mr Robert Jones

PolyGram, the Dutch entertainment Alice Rawsthorn. The agreement of PolyGram's efforts to increase its bring its film subsidiary into the

group, has clinched a three-year gives PolyGram pre-emptive rights film-making capacity in the black despite successes such as first-look deal with Mr Robert over all the pictures developed by approach to the launch of its US Fargo and Trainspotting, recently Jones, the film producer behind the The Jonescompany, Mr Jones's film distribution network later this year. concluded a similar deal with Mr

thriller, The Usual Suspects, writes production business. It forms part The Dutch group, still struggling to Alan Parker, director of Evita.

Cellular

phone side

aids NTT

advance

By Michiyo Nakamoto in Tokyo

third year running.

A strong contribution from

cellular phone subsidiaries

helped NTT, Japan's domi-

nant telecoms carrier, lift

sales and profits for the

The telecom group's sales

in the year to March rose 2

per cent from Y7,908.6bn to

Y8,821.8bn (\$76bn) and pre-

Expansion at Commerzbank

in Frankfurt

building up its investment banking operations by boosting its international equities side and planning a new trading floor in Frankfurt.

Dalman, former head of research.

does not have a blank cheque". Commerzbank said. The move follows strong bond activities and in deriva- among German banks to the bank chairman, has skyline, is due to open soon.

By Robert Graham in Rome

The Italian Treasury will

keep its stake in Eni. the oil.

gas and petrochemicals

group, above 51 per cent

when it sells a third tranche

The decision allows the

centre-left Prodi government

to head off political pressure

to retain control of this stra-

tegic asset, which is the sev-

enth-biggest publicly traded

oil company in the world

and the largest by market

However, officials insist an

offering of more than 20 per

capitalisation in Italy.

of shares next month.

The expansion reflects the group's strategy of building

considered.

offer on June 27.

raised L6,300bn.

Commerzbank denied reports that it had been looking at buying BZW, the investment banking arm of Barclays, "We have always

The move to boost the investment banking arm growth in the bank's global comes amid competition

The offer size is not sched-

uled to be announced until

June 7, with the book-build-

ing exercise beginning on

June 9 and the close of the

holds 69 per cent of Eni fol-

lowing two previous sales

beginning in 1995. The last

offering in 1996 totalled 16

per cent after the "green-

shoe" option had been exer-

cised, raising L8,900bn

(\$5.34bn). The first tranche

At present the treasury

of eastern Europe. Several have opened subsidiaries or representative offices for commercial banking, but bonds denominated in curthey now intend to build up investment banking in the region quickly.

Deutsche Bank plans to open its first representative office in Zagreb, Croatia,

Commerzbank's new trading floor, which is intended to house about 500 traders, would bring together all the bank's trading, including Building is scheduled to

said its "centre of competence is still in Frankfurt, even though there is a lot of know-how in London". Mr Dalman will be responsible to Mr Klaus Patig, a board member in charge of

Singapore. It has already

shifted a lot of its trading in

rencies other than the

But yesterday the bank

D-Mark to London.

Commerzbank has built a

new headquarters in Frankstart this year, with the furt. The building, which it claims is Europe's tallest Mr Martin Kohlhausen, and which dominates the

tax profits rose 5 per cent from Y423.6bn to Y444.6bn. Net profits, however, fell from Y213.2bn to Y149.8bn.

NTT attributed its better performance largely to the DoCoMo, its cellular phone subsidiary which is to be listed next year. DoCoMo has seen sales and profits

rise strongly on surging demand for cellular phones. Consolidated sales rose 56 per cent to a record Y1.962.9bp while recurring profits increased 74 per cent to Y133.3bn. The contribution from DoCoMo more than made up for the loss from personal

handyphones or PHS - a mobile phone cheaper than cellular phones. NTT's PHS subsidiaries collectively reported a loss of Y90.7bn largely on high capital spending costs. NTT's mainline telephone

business suffered from tariff reductions, particularly in the long-distance market where it cut tariffs in February and introduced discount rates for a variety of services. The impact of the tariff reductions and discounts came to Y67bn.

However, buoyant demand for on-line communications gave a strong boost to NTT's ISDN services, which offer advanced communications links.

NTT does not expect its core telecoms business to lift results in the current year, although ISDN and multimedia related businesses will increase revenues. A strong rise is forecast in group sales, to Y9,444bn, as well as in profits, to Y519bn, and net profits, to Y220bn. But these are largely attributed to continuing growth at NTT DoCoMo along with higher revenues and smaller losses at the PHS subsidiaries.

NTT DoCoMo is forecasting recurring profits in the current year of Y182bn. • International Telecom-

munications Japan, the international carrier which is to merge with Japan Telecom, reported a drop in recurring profits despite higher revenues, because of high depreciation charges and lower tariffs.

It saw sales rise 47 per cent from Y48.4bn to Y70.9bn, largely on a change in accounting. Recurring profits, however, fell 88 per cent. Net profit plunged from Y3.8bn to Y221m.

Paribas disposal in wider Belgian shake-up

By Andrew Jack in Paris

Paribas, the French financial group, has announced a significant turning point in its operations in Belgium, with the sale of its retail banking activities and a restructuring of its other

It will sell a controlling stake in Paribas Belgique, its retail banking arm, for an undisclosed amount to Groupe Bacob-Arco, fundamentally modifying its Belgian presence, which dates

It is also reorganising the ownership and portfolio of Gevaert, an investment company with stakes in Aegon, Almanij and Hapag-Lloyd, in which Parlbas' subsidiary Cobepa holds a majority stake, and Almanii-Kredletbank Groupe a minority

Paribas said the action was part of its strategy to focus on two core businesses - international investment banking and specialist financial services – and reflected realignments in the preparations for the creation of the single European

Paribas will sell a 47 per cent stake in Paribas Belgique - in which it owns 77 per cent - to Bacob-Arco, which will in turn launch a tender offer to minority shareholders, bringing its stake up to 70 per

In a second step, Paribas said its remaining 30 per cent stake "could be" sold to the Belgian group, the banking subsidiary trades under the name Banque Bacob.

Individuals close to the negotiations said that the 47 per cent stake would be worth "several billion" and would certainly generate more than the sale this year of Crédit du Nord. Paribas' French retail banking subsidiary, to Société Générale for FFr2.2bn (\$370m).

The deal will leave Paribas with a banking branch which will retain the Paribas name but will largely deal with its investment banking activit-

It will co-operate with Bacob over the distribution of financial service prod-

In a separate transaction. Cobepa, which is a 65 per cent subsidiary of Paribas, is to absorb half the assets controlled by Gevaert and manage them directly. The remainder will be transferred to a new quoted com-

Shareholders of Gevaert will be asked at an extraordinary meeting to approve a special dividend of BFr150 a share, after which the net asset value of the group is estimated at BFr73bn (\$2.09bn). The deal will allow minor-

ity investors to exchange their existing Gevaert shares for holdings in either

capture new business in the stressed in the past that the By Graham Bowley tives. It has made inroads bank's strategy is to expand into eastern Europe, includformer communist countries in London, New York and

Commerzbank of Germany is It has hired Mr Mehmet

Deutsche Morgan Grenfell's equities operations in Tokyo, to lead its global equities operations from Frankfurt. including sales, trading and Mr Dalman "has a brief to

ing the Czech Republic and Poland, which the enlarged investment banking group would support.

its operations from within rather than through acquisitions, such as Deutsche Bank's acquisition of Morgan Grenfell.

hire more staff, although he said we would grow organically," it said.

next week.

both equities and bonds. opening planned for 2000.

sion in April to incorporate

Agip, its principal operating company responsible for oil

and gas exploration and

Also this month Eni initi-

diversification by signing a

memorandum of understand-

owned electricity company,

to study a joint venture for

The treasury has

electricity generation.

production.

investment banking, including equities and bonds.

State to retain 51% of Eni cent was never seriously company since the first two shares if there is demand.

bonus for those holding their shares for a year. The global co-ordinator for the third phase of privatisation is Credit Suisse First ated an important potential Boston. The price ceiling

investors with a 1-for10

will be fixed on June 21. Last time, a 3.5 per cent ing with Enel, the state- discount was given on the retail price offer, and with Eni shares now trading at close to L9.000 there has been a 30 per cent gain. In announced it will once again the case of the first tranche be exercising the "green- price, the gain has been 70

shoe" option to offer extra per cent. The main difference in the Serbia bank to borrow in UK

tranches has been Eni's deci- and will also encourage

By Guy Dinmore in Belgrade

Serbia's state-owned Beogradska Banka said yesterday it planned to raise up to \$50m through a private placement with a Londonbased bank, the first such sanctions against Belgrade were lifted last year.

managing director of Beogradska, said the six-month sibly within a week.

loan carried a monthly interest rate of about 3 per cent, reflecting Serbia's high-risk status. It would be converted into dinars to help local companies finance production

for exports. Belgrade newspapers said loan since international the credit would come from ANZ bank. Mrs Vucic declined to name the bank Mrs Borka Vucic, acting involved until details of the loan were made public, pos-

largely shunned Belgrade until its IMF membership since the imposition of inter- was resolved. national sanctions against A Serbian analyst the former Yugoslavia in described the high rate negonational sanctions against 1991. The European Union tiated with the foreign bank and US are blocking IMF membership for Yugoslavia, which now comprises Serbia and Montenegro, until politi-

cal conditions are met. One western banker said able to raise substantial money," Mrs Vucic said.

Foreign banks have amounts of funds abroad

as "catastrophic". Serbia is running a large foreign trade deficit and has all but exhausted its foreign exchange reserves. "We must find credits to finance he doubted Serbia would be exports. We need short-term

Mazda depressed by competition

By Michiyo Nakamoto

Mazda, the Japanese carmaker which is 33.3 per cent owned by Ford, forecast in the current year, despite a decline in sales and another Y588bn to Y750bn. operating loss in the year to tion in Japan.

sales higher for the first last time.

time in six years.

plans to almost double capital investment this year to from Y394m to Y6.2bn. Y420bn (\$3.64bn), while

In the year to end-March, end-March, amid competi- however, Mazda continued of having increased its stake to suffer from a lack of mod-Mazda said cost cutting els suited to the Japanese's and sales of new models changing tastes and reported would help it return to oper- a non-consolidated operating thought we'd be in sales," ating profit this year for the loss of Y53bn - smaller than admitted Mr Gary Hexter. first time in five years, on the Y126bn operating loss

Sales declined slightly to In a bid to regain lost Y14,268bn, but recurring has been selling very well,

asset sales. Net profits rose

Mazda expects to make a a return to operating profit research and development consolidated net loss, in part and sales costs will rise from due to the larger share of the loss at AutoAlliance that Mazda will bear as a result in its US manufacturing joint venture with Ford.

senior managing director.

da's small, recreational car,

Although the Demio, Maz-

ven's weakness were not that pronounced. "We're not where we'd

Japan.

ground and complement its profits rose from Y12bn to the sluggish performance of contribution from the popu-product line, the company Y139bn, largely as a result of its saloons depressed sales in lar Demio will help it Exports rose 6 per cent in achieve an operating profit value terms. As Mazda's this year. The company is on export sales are yen-denomi- track to make operating nated, its gains from the profits in the first half,

> Cost reductions contributed Y370bn and are expected to add another boost of Y400bn this year. Debts have fallen from a peak of more saloon is expected to boost than Y580bn to less than sales. Mazda expects exports Y400hn.

lar Demio will help it increase domestic sales and which would be a breakthrough, Mr Hexter said. Exports will increase in

the current year, mainly to Europe, where the introduction of a remodelled 626 to rise 10 per cent in the Meanwhile, Mazda hopes year. This will help parent that a range of models to be sales increase 11 per cent to

introduced and a full-year a forecasted Y15,800bn.

ME SARIN

PANY REMARKS

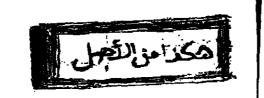
panese
p makers
fer from
ice falls

319

panese

7 M

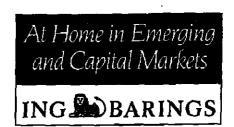
#





FINANCIAL TIMES

THIS WEEK



Global Investor / Richard Waters in New York

US exhibits resilience — for now

Tet another reason to believe in the return of order left the dollar longevity of the at just over Y115, or nearly mighty US bull market? Or a hint that this party will come to an end before That adds up to the sharpest too long - with painful consequences?

The questions are prompted by the sight of the dollar's extraordinary erased only a small part gyrations on the foreign exchange markets in recent

For now, the US securities markets have greeted the swings with far greater equanimity than would have seemed likely, suggesting an underlying resilience. But, given the currency markets' tendency to overshoot, the greenback's sharp reversal in May could yet have a sting in its

Last week's temporary 10 per cent below its high at the beginning of the month. change in direction between the two currencies in more than a decade. However, May's slip has

of the strong dollar appreciation of the past two years. A rate of Y80 to the dollar is still a long way away.

But the reversal has provided a timely reminder that the rest of the world is long on Treasury bonds, and that the dollar's appreciation has been both a result and a cause of this. That includes central banks, whose stash of US securities has risen by nearly a fifth in the

past year, and Japanese momentum that had built up has already been a notable institutions, whose return to behind the greenback narrowing of the spread has been one of the main pulling out one of the forces behind the dollar's

There are also the bedge funds and other buccaneers who have come in through the side door, using the huge difference in interest rates to borrow yen to back their purchases of dollar

With that in mind, the

good news from the past month is how well the Treasury bond market has stood up to the realisation that the dollar's ascent is no longer a one-way bet. This spring's jawboning from US and Japanese officials has proved remarkably successful in

removing the speculative

Nissan Motor, the Japa-

that a rise in yen interest rates is still some way

props under dollar bond

In the process, it has

shown that the hedge funds'

yen-dollar "carry trade" has

been less of a force in the

dangers

market than had been

overshooting are real, though: Japan's decision to

heed American wishes by

tempering the yen's slide has been an important

psychological turning point.

Hence the shift in the

rhetoric by last week, with

officials in Japan suggesting

markets.

thought.

The

the US fixed income markets without at the same time between US and Japanese bond yields, which had been widening while the dollar rose. But, says Mr Martin Barnes of Bank Credit Analyst: "There is still a huge positive yield spread. That isn't going to change

> Also, it is worth remembering that the supply of dollar bonds is waning. The US's strides towards a

anytime soon."

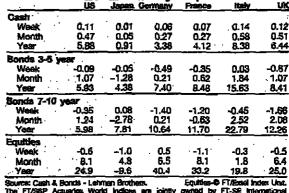
balanced budget are one reason. And, as Mr Charles Clough at Merrill Lynch pointed out in a recent note, private sector borrowing is far lower than is normal at this point in an economic expansion, a sign of the strong financial position of businesses

Yen rebound 10 yr bond spread

This is the background against which the US stock market has just climbed back to reach another

record. The dollar's reversal will contribute to that in part by reducing the pressure on the foreign earnings of US multinationals - the very companies on whose success the latest leg of the stock market's rise has built

Total return in local currency to 22/05/97



To cap it all, the Federal This week's Fed inaction Reserve's decision not to raise rates last week has removed - at least for now another potential obstacle. No wonder equity investors have snaken off their recent bout of nerves and seem convinced once again of this market's apparent

invincibility. The dollar's May decline could be a harbinger of things to come, however. month.

is a reminder that, sooner US monetary cycles will

squeezed. It may not happen this year, but when it does, the US securities markets will be tested they have been this

COMPANY RESULTS DUE

Japanese chip makers suffer from price falls

Hitachi, Toshiba and tax profit of Y230bn for the Mitsubishi Electric are expected to show sharp falls in annual pre-tax profits this week, reflecting the impact of lower chip prices.

"Operating profits of the three are expected to fall by about Y100bn (\$794m) each on average because of the drop in D-Ram chip prices," said one analyst.

Also weighing on earnings will be the heavy machinery divisions, with weak demand for power plants and moves to cut power prices squeezing margins.

The focus of the results

1998 forecasts and how earnings growth may be linked

to restructuring. For microchips, prices of 16MB and 64MB D-Rams are expected to remain stable over the year and this should help earnings.

Hitachi, which reports on Thursday, has forecast a preyear to March, down from Y348.63bn last time. Toshiba, which reports

tomorrow, recently cut its pre-tax profit forecast to Y120bn for the year to March from the previous Y160bn. In the year to March 1996, Toshiba reported a pre-tax profit of some Y177.7bn. Mitsubishi Electric, which also reports tomorrow.

recently cut its year to March pre-tax profit forecast from Y78bn to Y50bn. In the year to March 1996, Mitsubishi Electric's pre-tax profit was Y128.4bn.

AFX-Asia. Tologo Thursday expected to report

nese carmaker, is expected to report tomorrow annual pre-tax profits of between Y85bn and Y100bn for the year to March, a turnround from the previous year's loss of Y53.4bn, thanks to the weaker yen. Analysts forecast sales of Y6,270bn-Y6,450bn, up from Y6,040bn. "Although Nissan's car exports remained at the same level as a year earlier, the yen's weakness against the dollar helped revenue rise by Y70bn," said one ana-

Analysts said Nissan's rationalisation efforts, such as cutting staff and reducing parts costs, will also have helped raise pre-tax profit,

lyst. Growth will largely

come from expanding sales

by about Y20bn. AFX-Asia, Tokua



pre-tax profit of Y46.7bn-Y56bn for the year to end-March, up from the previous Y31.3bn. Analysts forecast revenue at Y3,400bn-Y3,600bn, little changed from V3.540bn.

Much will depend on the way the company treats the Mitsubishi Motors is on losses incurred on the restructuring of its US unit,



analysts said. "As the company has announced an extraordinary loss on the restructuring it is possible for the pre-tax profit to fall to the level of [the previous year's] Y31.3bn ...It depends on how the company books the loss," said one.

Mitsubishi Motors recently

said it would book an

extraordinary loss of Y43.1bn on restructuring of Mitsubishi Motors Sales of America, a fully owned unit. AFX-Asia, Tokyo

■ EMI Group, one of the world's largest record com-Spice Girls and George Michael among its artists, and the owner of HMV record stores and Dillons bookshops, reports year-end results tomorrow. Analysts are expecting a respectable increase in profits.

Ms Lorna Tilbian, analyst at Panmure Gordon, forecasts profits before tax and exceptional items of £370m (\$600m) for the year to March 31, against £342m last

EMI benefited from the Spice Girls' international success last year, but was hampered by the stronger pound and a weak Christmas

utilities' preliminary results adjusted pre-tax profits predicted to be up by at least 2.8 per cent to £245.4m.

The company has already visions, one for £20m to restructure and upgrade the skills of its blue-collar staff. and the second to cover its international business, including an estimated £15m for a troubled Brazilian water management deal.

Unadjusted, group profits could fall by as much as 15 per cent to £202.2m. The dividend, however, is expected to rise by almost 15 per cent

■ United Utilities, the water and electricity group based in the north-west of England, is forecast to report on Wednesday adjusted pretax profits up 16 per cent to a headline figure of £317m

Anglian Water begins the following the absorption of its acquisition of Norweb. the regional electricity company. It is expected to pay a dividend of 37.2p, up 14 per

Compiled By AFX News

warned of two separate pro- ■ Analysts are expecting another good set of results on Thursday from Siebe, the engineering group which this month announced a recommended £332m bid for rival APV.

Pre-tax profits for the year to March, boosted by acquisi-tions, are estimated at about £415m, giving earnings per share of 52p, excluding a £5m exceptional gain from property sales. This compares with profits of £331.1m on sales of £2.6bn last time. The City of London will be looking to see if the group has met its 10 per cent organic sales growth target in all divisions and whether the rate of growth is likely

hedge operations by foreign portfolio investors in a move seen as strengthening the competitiveness of local markets, but which also, economists suggested, reflected concerns over a growing current account

capital entering the country through a channel known as Annex IV, which allows financial operations tax attractive," he said. (IOF) charged on fixed

imposed in August 1995 on BM&F and on stock the grounds that investors were using Annex IV to too early to say how construct "boxed" hedge much capital would be operations that amounted to fixed income instruments.

investors will increase our contract volume by as much as 30 per cent," said Mr Futures Exchange

The exchange is the fourth biggest in the world, trading an average of 580,000 contracts a day during the

Mr Cintra said the BM&F would work with prevent investors constructing boxed operations. "Interest rates are much

ncome investments. move, saying it would It ends restrictions increase liquidity on the exchanges, although it was

Economists said the government clearly hoped foreign capital, though more

the restriction in 1995 when

The strength of Brazil's currency, introduced as part of an inflation-beating reform programme in July 1994, has led to a widening trade gap expected to reach

etitiveness of Brazilian

The latest change is one of series of measures designed to attack the deficit and attract foreign capital.

was announced simultaneously with restrictions on credit card purchases by Brazilians travelling abroad, which must now be covered in a

month between \$10bn and \$15bn income and restraining

Brazil lifts hedge restrictions The Brazilian government Manoel Cintra, president of to see how many of them has lifted restrictions on the São Paulo Commodities return to Brazil."

(BM&F).

FT/S&P ACTUARIES WORLD INDICES

The change applies to government regulators to foreigners to invest in lower today than in 1995 Brazilian equities free of a so boxes are much less Analysts welcomed the

attracted.

red income instruments. "It has been very well "The return of foreign received," said one, "though some investors are now used to constructing hedges this year. Progressewhere and we will have increasing the

the move would attract flows to finance the

because of worries over the current account deficit than through concern for the well-being of capital markets. "The government imposed

the level of international reserves was rising too sharply," said Mr Mauro Schneider, an economist at ING Barings in São Paulo. "Now it needs to attract capital. The timing of both moves makes the motive quite clear."

comp-

exports has been slow; meanwhile, the government has turned to foreign capital delicit.

single payment.

government cut the rate of IOF charged on foreign fixed income investments from 7 the central bank held its basic interest rate steady after eight consecutive monthly reductions with the attractiveness of fixed this year. Progress on spending on imported

Ever been judged by the company you keep?

Enter the Arthur Andersen Enterprise Awards for Best Business Practices and keep company with the world's best.

These awards are definitely not for trophy hunters. Nor are they for industry giants. They're for ambitious companies genuinely interested in sharing best practice knowledge with some of the world's most exciting enterprises.

Started by Arthur Andersen in 1995, these international awards are coming to the UK for the first time this year and this is your opportunity to share and learn new ideas which will drive even better business performance.

Companies are assessed by regional panels of independent judges. Winners in four categories customer satisfaction; motivating and retaining employees; building strategic alliances; going international - will then have the chance to compete on a worldwide stage in Chicago, home to Arthur Andersen's Centre for Professional

The Enterprise Awards are open to companies which turnover more than £3 million and employ up to 500 people. If you've got what it takes to compete against the world's best, call us now for details on 0171 466 6504 or e-mail us at uk-enterprise@arthurandersen.com



You'll be in good company.

Closing date for applications is 12 June 1997. Quote reference: ENT4

Local Local % Gross US Pount
DM Currencychg from Div. Doltar Starling Yen
Index Index 31/12/56 Yield Index Index Index Currency 52 week 52 week ago index High Low (approx) | Dollar | String | Yen | DM | Currency Ltg | from | United | Index | 234.33 212.54 171.72 206.28 197.14 178.82 144.47 173.55 249.93 226.70 183.16 220.02 257.84 238.69 188.81 228.81 205.22 186.14 150.39 180.86 386.53 360.60 263.27 340.27 276.71 250.99 202.76 248.60 229.11 207.81 167.90 201.59 212.29 192.55 155.57 188.86 505.57 469.57 370.50 445.07 223.34 202.58 163.68 198.61 346.68 314.41 254.02 305.15 Denmark (32) . Finland (26) ... 223.34 202.58 183.86 194.61 348.63 314.41 254.02 305.15 90.91 82.46 66.82 30.5.15 90.91 82.46 66.82 30.5.15 90.91 82.46 66.82 30.5.15 90.91 18.09 96.41 114.81 525.08 478.27 394.80 482.24 1442.01 1307.96 1056.76 1299.43 1376.38 341.37 275.81 331.31 88.42 80.20 64.79 77.83 311.08 282.17 227.97 278.85 158.25 141.73 114.51 137.56 392.51 352.39 294.27 342.01 356.46 323.33 261.23 313.80 230.29 188.09 223.51 461.84 418.91 338.45 406.57 296.53 289.96 217.30 261.04 65.95 57.91 46.70 56.21 300.00 272.12 219.85 264.10 338.15 306.71 247.81 227.68 334.58
352.11
350.96
270.08
278.91
113.18
96.32
79.26
82.78
95.41
158.25
107.57
165.60
500.07
600.05
510.10
559.59
1446.68
110.35
1510.77
326.90
377.65
279.88
295.60
67.60
95.60
75.94
79.68
287.32
248.04
246.15
205.42
-256.29
448.01
360.08
418.15
248.27
370.12
301.49
350.67
274.30
255.72
171.81
177.59
517.92
487.61
334.35
360.58
595.30
487.61
334.35
360.26 Japan (485) Malaysia (107) . Mexico (27) 272.12 303.18 229.63 230.10 338.15 342.72 254.79 275.36 United Kingdom (211) ..., 299.76 309.65 260.87 226.93 272.60 263.33 236.85 192.96 231.82 397.28 360.35 291.14 348.73 260.88 313.75 233.09 251.51 241.59 264.79 204.71 207.72 386.10 401.48 287.45 299.99 22.5 1.84 397.28 369.35 291.14 349.73 0.8 1.30 148.59 134.77 108.89 130.80 10.2 2.03 196.45 178.18 143.96 172.94 13.4 1.79 330.08 299.39 241.88 290.58 232.2 2.04 237.51 215.43 174.06 209.09 1.4 2.79 306.87 278.18 224.74 269.57 10.5 2.01 199.79 181.22 146.42 175.88 11.9 1.72 238.33 216.18 174.66 209.81 14.0 2.13 301.89 273.82 221.23 265.76 385.70 407.49 297.45 299.89 109.35 170.85 127.18 168.74 159.22 198.16 173.55 184.87 329.27 334.52 248.85 288.44 219.62 238.86 185.65 190.28 286.51 268.97 290.81 165.48 201.27 176.94 198.18 209.27 241.01 199.58 212.15 The World Index (2473) .246.06 9.8 223.80 179.48 216.26 217.09 11.6 1.91 243.61 220.96 178.53 214.45 215.00 246.06 202.32 213.82 The World Index (2474) 240.00 \$3.00 Acres & Co. and Standard & Poor's, 1997 All rights reserved, "FT/SSP Administs" in a joint trademark of the Reserved Times United and Standard & Poor's, Bees Copyright, FTSE International Ltd., Coldenant, Sachs & Co. and Standard & Poor's, 1997 All rights reserved, "FT/SSP Administer's in a joint trademark of the Reserved of the Reserved & Poor's, Bees Copyright, FTSE International Ltd., Coldenant, Sachs & Co. and Standard & Poor's, 1997 All rights reserved, "FT/SSP Administer's in a joint trademark of the Reserved & Poor's, Beest & Standard, Sachs & Index & Standard & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 and 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 April Reserved & Poor's, Beest & Copyright, FTSE International Ltd., 1994 Ap

Arthur Andersen is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

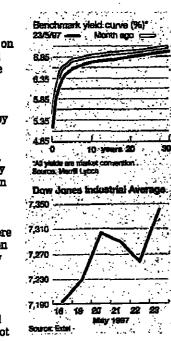
opposed to fundamentals, had the greatest influence on US markets last week, and this will probably continue when traders resume on Tuesday after their long weekend.

Sentiment was boosted by the Federal Reserve's decision not to tighten monetary policy last week. but speculation has already started on whether Mr Alan Greenspan, Fed chairman. will choose to tighten in early July.

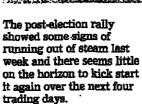
Equities in particular were helped by the Fed's decision on base rates, and the Dow Jones Industrial Average, measuring 30 blue-chip stocks, rallied to a record close on Friday of 7,345.91.

Analysts were impressed by the way the rally was not limited to the largest stocks, and smaller companies indices, which have under-performed badly for the last year, also started to post strong new highs. However, worries about the extra supply due this

week held bonds back. Key events this week could be the treasury's auctions of two-year notes on Wednesday, and of five-year notes on Thursday. If the market has difficulty absorbing them, higher bond vields could act as a dampener on stock prices in



the next week. The new economic data expected this week is unlikely to have a significant impact on the markets. Wednesday brings the durable orders figures for April - expected by a consensus of analysts to show a rise of 1.0 per cent, following a fall of 3.0 per cent in March, according to Standard & Poor's MMS while Friday sees the preliminary release of gross domestic product figures for the first quarter.



Thursday's trade figures and Friday's mortgage lending numbers are the only economic statistics of note; for once, there are no monetary meetings involving, or pronouncements expected from, the

Bank of England. The big market-moving news is likely to come from elsewhere with the first round of the French elections potentially provoking some debate about the prospects for European monetary union and the revised first quarter US gross domestic product numbers possibly raising questions about the Federal Reserve's recent decision not

July.

strength of the pound. to raise interest rates. Some fear that the Fed will have to Profit warnings have been taking their toll of a number make up for its inaction in of, mostly second-line. While the UK stock stocks, emphasising the importance of share market has had its own reasons for setting all-time selection. This week's batch of highs, the favourable international background of results comes from the

demerged Thorn and EMI. Siebe and a batch of utilities in the form of Anglian, South West and Yorkshire Water and United

and an industrial sector

struggling to cope with the

FRANKFURT By Graham Bowley German shares remained buoyant last week, rising

above the previous week's close which had pushed the DAX index of 30 top . companies through the 3.600 level for the first time. At the end of floor trading on Friday, the Dax stood at 3,602.19. It took a further big step upwards in electronic

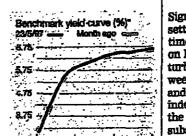
trading to close at 3,621.72. This came after a week of encouraging economic data which showed money supply growth slowing and economic activity picking up in the second quarter. M3 money supply growth

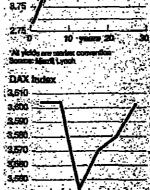
slowed more sharply than

expected in April, with the annualised rate of growth falling to 6.7 per cent from 8.3 per cent in March. This took it close to the Bundesbank's 3.5 per cent to 6.5 per cent target corridor, but analysts at UBS said further falls in the growth rate were unlikely to prompt speculation of a cut in

German interest rates. This week holds a rash of company news, including Allianz annual results on Wednesday. Daimler-Benz is also holding its annual shareholders' meeting on Wednesday, Commerzbank holds its AGM on Friday. Corporate news last week included the purchase by Veba, the power and

industry group, of a 36.4 per





18 19 20 21 22 23

cent stake in Degussa, the chemicals concern. On the economic front, there is likely to be more consumer price data trickling out this week Import price figures are likely to show a fall in the annual inflation rate to about 2.1 per cent in April, according to J. P. Morgan. A continued subdued inflationary performance could again help bond prices. These rose further last week, leading to a modest fall in

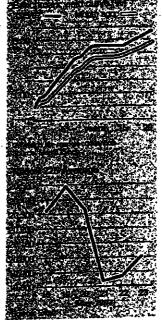
TOKYO BY GY

Signs that the dollar has settled at Y116-Y117 for the time being calmed markets on Friday. Exchange rate turbulence earlier in the week had panicked investors and sent the Nikkei 225 index plunging back below the 20,000 level, after substantial gains in preceding sessions.

The 225 index rose 136.61 to end the week at 20,009. after sliding 2.4 per cent on Wednesday on the dollar's plunge to Y111. If currency markets appear stable after the holiday weekend in the US and Europe, stocks are expected to trade on the upside of 20,000. But gains may be capped at 21,000, as the market is due for a consolidation phase after its sharp rise and retreat. Investors may harbour

lingering concerns about export-driven shares, which tumbled on the dollar's recent fall. However, analysts say many blue-chip exporters have now fallen to attractive levels. Buying interest will also track the corporate results season, which ends this week after last Thursday's peak. Japanese government

bonds will benefit in the short term from official indications that interest rates will not be raised in the next few months. Speculation of a July rate



increase had been persisting. But in an interview published on the weekend, Mr Eisuke Sakakihara, the finance ministry's "Mr Yen," suggested that Japan's economic fundamentals had not yet sufficiently recovered for the Bank of Japan to raise the official discount rate, now at 0.5 per cent, any time soon. However, Mr Sakakibara warned investors should expect an increase to 1 per cent "some time in the year

COMMODITIES By Susanna Voyle

London set for pulp futures

Trading of pulp futures fallen to \$500, where it lan- successful, trading some 100 starts in London for the first guishes now. time this week.

More than 15 wood pulp producers and consumers have lined up to start dealing in the electronically- and paper industry special in traded contract which will be launched on Thursday.

OMLX, the London-based securities and derivatives exchange operated by OM group of Sweden, says the contract will give players in risks, you are caught up in a the pulp and paper industry never-ending game of - either sellers or buyers - a way to lessen exposure to price fluctuations through

Pulp has proved to be highly volatile over the past few years. From \$400 a tonne Options Exchange in Februin 1994, it soared to \$950 in ary. The Finnish market, 1995. Six months later it had, however, has not been very tract of the day.

"This volatility is not unique to the pulp and paper industry," says OMLX. "What does make the pulp comparison with other volatile and global commodity markets is the fact that it lacks a hedging mechanism.

"Without the ability to manage pulp and paper chance. The new contract - called

Pulpex - will be a direct challenge to the wood pulp futures market started by Finland's Futures and

contracts in the first three months against a forecast o 20,000 for its first year.

low inflation and low

undoubtedly played its part.

continues to divide into a

flourishing consumer sector

Domestically, the economy

interest rates bas

The London market will offer two dated contracts one for September and one for December, with options trading on both starting three business days after Thursday.

The London contract will have a physical delivery system. Stocks of pulp will be stored in five warehouses in three ports - Antwerp, Rotterdam and Terneuzen.

Each contract ~ of north ern bleached softwood kraft (NSKB) - will be for 24 tonnes. The daily settlement price will be determined by taking the last traded conFriday's rally left most points out that bonds and European bourses pressed firmly up against all-time

OTHER MARKETS Compiled by Jeffrey Brown

PARIS

The French bourse could be an interesting place this morning as the results of yesterday's first round voting in the general election filter through to the stock market.

Although most political commentators remain convinced that Mr Jacques Chirac's coalition will eventually emerge in a winning position, share prices were beset by all sorts of doubts on a number of trading sessions last week.

Mr Roger Monson, chief equity strategist at Daiwa Hong Kong airport conces-Europe, says any renewed sions. But HSBC James weakness could present good Capel remains a firm buy on accounting. The shares between Cariplo and buying opportunities. He the stock:

the franc have not shared in the general run of election jitters, and that there is plenty of French precedence for small majority coalition parties ruling very effec-

Ahead of Sunday's second round vote, there is limited corporate news. A number of companies hold annual meetings, including hotels leader Accor, retailer Casino (both of which have been linked with various takeover stories this year), car giant Renault and LVMH, the luxury goods group

Shares in the latter hit a nervous patch last week following the news that newly acquired Duty Free Shops had lost out on a couple of

the yen exchange rate, up smartly against the dollar in recent sessions, is the real key to DFS's earnings since Japanese tourists account for more than 65 per cent of its Asian turnover.

bond yields.

AMSTERDAM

Three component companies of the AEX, the leading Dutch stock market index, make themselves available this week. From the financial sector, ING and Fortis Amey pump out first-quarter results while chemicals group Akzo Nobel hosts an

analysts meeting. ING hit the headlines last week when it published a US listing prospectus which showed 1996 earnings to be 41 per cent higher under US ended the week 8 per cent :- Ambroveneto- Having-failed

The broker suggests that higher and hoping for more good news when the 1997 first quarter numbers emerge on Thursday.

MILAN

Is this the week that the Bank of Italy makes its long awaited move on interest rates? Last week's preliminary inflation for May was positive and the market betting is for a rate cut of between 50 and 75 basis points. But most analysts feel that the central bank may continue to resist downside pressure until the end of ment. next month when a clearer picture of government spending cuts becomes avail-

Italian bank mergers are even more in focus following last week's news of a link-up

to win Cariplo, BCI is said to be working hard on alternative potential alliances.

HONG KONG

Fever pitch excitement among China stocks (red chips) following the massive oversubscription for the Beijing Enterprises flotation, hoisted Hong Kong to record levels on Friday.

Continued nervousness in many competing Asian markets in the wake of the flight by foreign investors out of Thailand also helped senti-

Beijing Enterprises makes its stock market debut on Thursday. The issue is said have been 1,000 times subscribed and to have tied up HK\$200bn in the local banking system as investors scrambled to buy a slice of

CROSS BORDER M&A DEALS BIDDER/INVESTOR TARGET SECTOR VALUE COMMENT Sector shake-Cable & Wireless (UK) Intel (Panama) Telecoms ups continue ING loses interest SBC Warburg (Switz/UK) Dillon Read (US) Bankino \$800m Vattenfall (Sweden) \$155m Expansion signalied Goodyear (US) \$100m-Intent or Unit of Phillips Da La Rue (UK) Busines Smart move in services Omega Healthcare (US) Quality Care Homes (UK) Healthcare Cash finally accepted Fenner (UK) Scandura (US) Heavy duty leapfrog Engineering Kingfisher (UK) BCC Holding Amste Continues cont-(Netherlands) intental growth Reli Helicopters (US) Privatisation landmark IAR Chimbay (Romania) Aviation \$25m innovative Technologies Unit of Polymedica Conditional

SAirGroup

formerly Swissair Swiss Air Transport Company Ltd.

Announcement to holders of shares, dividend-right certificates and bonds in Swissair Ltd.

At the request of the Board of Directors, the Ordinary General Meeting of Shareholders of 22 May 1997 agreed the introduction of a holding structure and the change of name of the company from Swissair Swiss Air Transport Company Ltd. to SAirGroup. These changes reflect the fact that, having started operations purely as an air carrier, Swissair is now a group of companies active in a range of airline and airline-related operations. Swissair, as a subsidiary of the SAirGroup holding company, will retain its characteristic brand name and logo.

As a result of the above name-change, all outstanding securities on the Swiss Exchange will be listed under

SAir Group (formerly Swissair Swiss Air Transport Company Ltd.)

as of 26 May 1997. Existing security numbers, together with the terms and conditions in respect of bonds already issued, will not be affected by the change. As there is no danger of confusion, there will be no exchange or cancellation of the physical certifi-

	IKI.	ISIN
Registered chares with a par value of CHF 350	238 075	CH0002380753
Dividend-right certificate with no par value	238 079	CH0002380795
CHF 84 Mio. 4.625% bond 1980-2005, tranche A (variable rate,	min. 3%, max. 8%) 120 753	CH0001207635
CHF 36 Mio. 4,625% bond 1980-2005, tranche B (variable rate from 1991	, min. 3%%, max. 8%) 120 763	CH0001207643
CHF 100 Mio. 3.000% band 1987-2081, ax warrants	120 786	CH0001207865
CHF 150 Mio. 4.750% bond 1988-2013 (variable rate from 2000,	min. 3%%, max. 8%; 120 756	CH0001207569
CHF 200 Mip. 5.125% bond 1989-2003	120 790	CH000120790
CHF 100 Mio. 3,250% band 1989-1999, ex warrants	120 792	CH0001207924
CHF 200 Mio. 5.500% band 1993-2003	093 939	CH0000939394
CHF 150 Mig. 6.250% bond 1994-2002	281 898	CH0002818966
CHF 150 Mio. 6.250% band 1995-2005	353 299	CH000353299
CHF 150 Mgo. 2.750% bond 1996-2004, cum warrants (CHF 500	0=40 warrants) 493 147	CH0004931470
CHF 150 Mio. 2.750% bond 1996-2004, ex warrants	493 149	CH0004931496
Warrants attached to 2.750% bond 1996-2004 (10 warrants=1 registered share in SAirGmun)*	493 151	CH0004931512

Zurich, 26 May 1997

"Strike price CHF 1300.-, maturity: 2. August 2000, 4 p. m.

SAirGroup The Board of Directors

Holiday may give central banks chance to adjust

The currency markets start were buffeted by the plus of Y831bn (\$7.2bn).

tor nondays today - which may encourage some central banks to Japanese interest rates sent manipulate their currencies. Late last week a few central bankers took advantage of weak dollar flows to prop exchange rates. That gave lished during the week to by Friday's figures for largemarket currencies, which manner of April's trade sur- rocketed 14 per cent in strength of sterling, over the coming week.

the week with a whimper, as unwinding of positions ven oortowin

currencies, such as the should be offset by price Czech koruna and the Thai cuts. baht. However, there is little

US \$ D-MARK

hed. Product The mere threat of rising price rises and increases in

But any rise in the rate of exceed expectations.

The UK's trade balance services following April's could spell problems for the

money out of higher-yielding higher consumption tax pound, if Thursday's figures for visible trade in March and non-EU trade in April

up or fine tune their in the way of data being pub- inflation might be undercut. A visible trade deficit of dependent Monetary Policy more than £1bn could ring Committee of the Bank of respite to some emerging spark the yen's rise, in the scale retail store sales. They loud warning bells for the England will cast a shadow

March as shoppers rushed to although it will further high-On Friday the May CPI beat the consumption tax light the policy dilemma of both New York and London founded on cheap Japanese inflation figures for Tokyo rise, and the drop back could the monetary and fiscal mix

June 6 is a key date for the market on both sides of the Atlantic. The combination of non-farm payroll figures in the US and in the UK the first meeting of the newly-in-

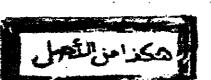
FT GUIDE TO	WORLD	CURRE	NCIE

latest available rates of exchange (rounded) against four key currencies on Friday, May 23, 1997 . In some cases the rate is nominal. Merket rates are the average of buying and selling is except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

US S D-MARK

£ STG

																A 1003
	Afghanisten	(Algherii)	7742.98	4750.00	2809.49	4116.30	Generatur (GED E)	•	0.6135	0.3629	0.5316	Paldstan (Pak, Rupes)(2)	65,7739	40.0.00		
	Albenia	(Leic)	273.042	167.500	99.0714	145,154	Greece (Drachma)	440.152	270.015	159.711	233.992			40.3496	23.9883	84.9865
				107.300								Pernama (Balbon)	1.6301	1	0.5915	0.8886
, ,	Algeria	(Dinar)	92,3203	56.6347	33.4978	49,0790	Greenland (Denish Krone)	10,4958	5.4387	3.8064	5.5797	Papus New Guines (King)	2.2624	1,3879	0.8209	1.2027
1	Andorra	(Franch Fr)	9.2857	6.6964	3.3663	4,8364	Grenada (ECantoS)	4.4013	2.7000	1,5970	2,3398	Paraguay (Guaranti	3519.30	2159,00	1278.99	1870.97
		(So Peseta)	232,444	142,595	84.3433	123.571	Guadeloupe (French Fri	9.2857	5.6964	3,3898	4.9384	Peru (New Sof)	4.3410			
1	l a		320997.8	196819.0	116471.9	170847.8		1,6301	•	0.5915	0.8888			5.6630	1.5751	2.3077
,		Read Kuranza)							!			Philippines (Peec)	43.0021	26,3500	15.8035	22,8806
	Antiqua	(È Camb S)	4.4013	2.7000	1,5970	2.3398	Gusternala (Cuetzai)	9.7687	5.9927	3.5445	5.1932	Pitcelim in (E. Sterling)	1	0.6135	0.3829	0.5316
	Argentina	(Penc)	1.6291	0.9994	0.5911	0.8661	Guinea (Fr)	1765.40	1083.00	640.563	938,516	0/Z 5	2,3592	w.:		0.3310
	Armenia	(Dram)	792,7830	486,340	287.656	421,457	Guinea-Bissau (Peso)	57055.6	35001.3	20702.3	80331.7			1,4478 3.2075	0.8561	1.2542
ı							Grand-poster (Learl)	3700349		20/02.3		Potend (Zloty)	5.2285	3.2075	1.8972	2,7796
	Arube	(Florin)	2,9179	1.7900	1.0587	1.5512	Guyanese \$)	230.007	141.100	83.4566	122,276	Portugat (Escudo)	278,177	170.650	100.938	147,883
1 1	Australia	(Aus 5)	2.1298	1.3059	0.7724	1.1317						Puerto Rico (US 5	1,6301			
1 1	Austria	(Schilling)	19.3971	11,8993	7.0383	10.3118	Hesti (Gourde)	27,2931	16.7432	9.9031	14,5096	(50.4)	1.0001	1	0.5915	0.8666
ı					2368.25	3469.82										
ı	Azerbegan	(Menst)	6525,920	4004,00			Honduras (Lempira)	21.3625	13,1050	7.7512	11,3567	Caster (Riyel) Reunion Is. de la (F/Fr)	5,9343	3,6405	2,1532	3.1548
1	Azones	(Port Escudo)	278.177	170.650	100.938	147.883	Hong Kong (HKS)	12.6170	7.7400	4.5781	5.7074	Recurrigen fas. de las. `GF/Fri	9.2857	5,6964	3.3693	4.9364
							Hungary (Forlat)	295.170	181.075	107.104	156,918	Romente (Leu)	11246.9	*****		
1 1	Bahamas	(Beterne S)	1,6301	1	0.5915	0.9866								6939,50	4090.85	5979.03
1	Behrein	(Constitute)		0.3770	0.2230	0.3267	lealand - Resignatio Kranst	114,107	70,0000				9381.23m	5755.00	3404.02	4967.22
ı			0.8146							41.4030	60.6612	Fivenda (Fr)	488,802	299,880	177,359 .	. 259.355
1 1	Belegic is	(Sp Peseta)	232,444	142,595	64,3433	123.571	India (Indian Rupee)	58.2517	35.7350	21.1368	30.9675				****	
ı	Bangladesh	(Talos)	71,1540	43,6500	25,8185	37,8266	Indonesia (Rupish)	3979.89	2441,50	1444.12	2115.78	St Christopher (E Carlb Si	4 40-0			
	Bertados	(Barb Si	3.2786	2.0113	1.1896	1,7430	tran. (Rial)	4890.30u	3000.00	1774.41			4.4013	2.7000	1,5970	2,3396
1 1	DO UNIX										2599.77	St Helene (2)	1	0.6135	0.3629	0.5316
1 1	Belgium Belgium	(Flouble)	70643.5a	43336.9	25632.5	37555.3	tracy (tracyl Dinar)	0.50680	0.3109	0.1639	0.2694	&tLucks (ECamb,S)	4.4013	2.7000	. 1.5970	2.3986
	Belglum	(Beig Fr)	56,8905	34.9000	20.6429	30.2439	Irac (traci Diren)	1956.12m	1200.00	709.765	1039,91	St Pleme & Milquelon (F/Fr)	9.2857	E-7000		2,5000
ı	Belize	. B si	3.2602	2.0000	1.1829	1.7332	resh Rep (Punt)	1,0782	0.8614	0.3912	0.5731	St Vincent (E Corth S		5.6964	3.3683	4.9364
ı	Benin	(CFA Fr)	928.570	569.940	336.933	493,639	teresi (Sheket	5.5360	3.3955	2.0084	2.9425		4.4013	2,7000	1.5970	. 2.3398
ı	Daniel I	(Bernudan S)		•					1665.72			San Marino (Italian Line)	2715 <u>.28</u>	1865.72	985.251	1449.49
ı !	Bermude		1.6301		0.5915	0 8686	italy (Line)	2715.28	100015	985.251	1443.49	Seo Tome (Dobre)	3888.00	2385,13	1410.74	2086.93
ı !	Bhutan	(Ngullaum)	58.2517	35.7350	21.1356	30.9675						Sead Arable (Riyal)	6.1138			~
ı	Bolivia	(Boliviano)	8.5417	5.2400	3 0994	4.5409	Jamaica (Jamaican \$)	55.8310	34,2500	20.2578	29.8807	Senegal (CFA Fr)	301130	3.7506	2.2184	3.2502
ı	Scissuma	(Pule)	5.7708	3.5398	2.0938	3.0676	Japan (Yeri)	188,106	115,395	68.2548	100		928,570	598,640	336.933	493,630
ı !		<u></u>	4.7.00	1.0708								Saychelles (Pupee)	6.1565	5.0065	2.9606	4.3377
()	Brezy.	(Plest)	1.7455		0.6334	0.9279	Jordan (Jordanian Dinar)	1.1558	0.7090	0.4104	0.6144	Sierra Leone (Leone)	1271.48	780.000	401 947	
, ,	Brunei	(Brunei S)	2.3343	1,4320	0.8470	1,2410						Sudaboue (2)	2.3343		481.347 0.8470	675.939
į j	Buigeris	(Lev)	2573.11	1578.50	933,637	1367.91	Kacaldhstan (Tenge)	123,342	75.8650	44.7537	65,5704	Slovatia (Conse		1.4920		1.2410
11	Burking Pago	ICFÀ Fri	929.570	569.640	336.933	493,639	Kenya (Kenya Shilling)	87.2918	53.5500	31.5733	48.406R		54.4833	38,4110	19.7622	26.0530
ŀI	Burne	(Kyst)	10.0776	6.1822	3,6566				1.3059			Slovenia (Toler)	248.75B	152,603	90.2600	132 244
		(N) EU				5.3574		2.1288		0.7724	7.7317	Soloman is (5)	5.9712	3,8631	2.1666	
	Burnandi	(Surundi Fr)	555.677	340.885	201.624	295,407	Korea North (Worl)	3.5862	2.2000	1.3012	1_9065	Somali Rep (Shilling)	4270.86	000001		3.1744
							Korea South (Wort)	1452.26	690.900	528,357	772.044	South Africa (Flands		2920.00	1549.65	2270,48
	Combodie	(F8e2)	3748.23	2300 00	1360.38	1993.15	Kerwalt (Kuwalt Diner)	0.4825	0.302	0.1787	0.2618		7.2998	4.4720	2.8451	3.8754
	Cernercon	(CFA Fr)	928.670	569.640	336.933	493.639	umater fraction named	~~~		willer	42010		282,444	142,595 .	84,8483	123.571
	Canada	(Canadian S)	2.2387	1.3734	330.933				801 804			Spenish Ports in N Africa				
				1.3/34	0.8123	1.1901	Lace (New Kip)	1565.53	961.000	568,404	832,792	(Sp Pseeta)	232,444	142,506	84.3433	
	Centery is	(Sp Peseta)	232,444	142,595	84.3433	123.571	respays (gress)	0.9254	0.5677	0.3358	0.4820 1336.50				04.24.33	129.571
	Cp. Verde	(CV Escudo)	151,396	92,8750	54.9329	80,4844	Lebanon (Lebanese S)	2514,02	1542.25	912,223	03.8667	Sri Lanks (Puped	95,4424	~		
	Cayman is	(CIS)	1.3501	0.8282	0.4899	0.7177	Lesotho (Maluti)	7.2896	4.4720	2.6451	3.8754			SE.5500	34.6317	50,7388
	Cent. Air. Re		928.570	569.640	338,933	493,639	Liberia (Liberian S	1,6301		0.6915	0.8868		251.851	154,600	91,3823	133,868
	Ched	(CFA Fr)	928.570	569.640	336.533	493,639		9,5795	0.3555	22103		Surfram (Guilder)	653,670	401,000	237.180	347,502
							Libya (Libyan Dinar)				0.3061	Swaziend (Liangeri)	7,2898	4,4720	2.6451	
	Chille I	(Chilean Pean)	683.501	419.300	248.011	363.361	Liechtenstein (Swiss Fr)	2.2942	1,4074	0.8325	1.2196	Sweden (Krons)	12:3756			3.8754
. ,	China	(Yuan)	13.5173	8.2923	4.9048	7.1860	(الاعتلال) وأحسانا	6.5212	4.0008	2.3662	3.468a	Switzerland (Fr)	12-01-30	7.5920	4.4906	6.5791
1	Colombia	(Coi Peso)	1754.78	1075.48	636.723	932,861	Lugembourn (Lux Fri	56.8905	34.9000	20.6429	30.2439		2.2942	7.4074	0.8325	1.2198
	Comoros	(710.011	435.563	257.623	377.454	Consistency (con s.i.)	30000		STATES.	-	Syrin (2)	68.2197	41.8500	. 24.7531	. 38.2667
							_					Tahwan is	45,3576	27,8250	18,4582	. 40-200
	Congo	(CFA Fr)	928.570	569.640	336.933	493,639	Mecao (Pataca)	13.0315	7.9943	4,7284	6.9278	Tanzania (Shaling)	892.566			34.1128
1 1	Congo (Demi	Repli(Zatre)(3)	114107.1	70000.0	41403.0	60681.2	Macedonia (Denari	73.5513	45.1207	26.6879	39.1011	Thailand (Sah)		608.900 ·	360.147	527,566
	Costs Rica	(Colors)	374,002	229,435	135.704	198.826	Madagascar (MG Ft)	7009.43	4300.00	2543.33	3728.23		41.5121	25.6500	16.1717	22.2260
										100.936		Togo Rep (CFA Fr)	928.570	569,640	336,933	400 000
, ,	Côte d'Ivoire		928.570	569.640	336,933	493 539	Madeira (Port Escudo)	278.177	170,650		147.883		2,1285			493,689
ı J	Crossing	(Kuna)	9.8492	6.0421	3.5737	5.2360	Maleur (Kwacha)	24,9813	15.3250	9.0643	13.2806	Trinidad/Tobago S		1.3059	- (0,7724 ·	1.1317
ıi	Cuba 10	Liber Peso(1)	34.2321	21,0000	12,4209	18.1984	Makrysla (Finggil)	4,0777	2,5015	1.4798	2.1676		10_1490	. 6.2260-	3.6826	5.3954.
							manyon value					Tuntsia (Diner)	1,7924	1.0750	0.6358	0.2316
	Cypna	(Choos a)	0.8218	0.5041	0.2982	0.4369	Maldive is (Rubye)	19.1863	11,7700	B.961B	10.1998	Turkey Giral	227333.6			
ı 1	Czech Rep.	(Koruna)	48.6577	29.8495	17.6556	25.8672	MgB App (CFA Ft)	928.670	669.64Q	336.933	493.638	Turks & Coloos (US 5)		136480.0	· 82489.0	120854.5
	Denmerk ((Denish Krone)	10,4958	6.4387	3.6084	5.5797	Malta (Maltese Lira)	0.6239	0.3827	0.2264	0.3317		1.6301	1.	0.5915	0.8865
ı I	District Rep	(DRb Fr)	289,702	177,720	105,116			9.2857	5.6964	3,3693	4.9384	Tunadu (Aussandan Sj	2.1288	1.3059	0.7724	- 1,1517
ıl						154,010			4.0004						W. 1409	4-14-15
	Dominica	(E Cerbo S)	4,4013	2,7000	1.5970	2.3396	Mauritania (Cugaiya)	237.836	145.780	86.2246	128.331	Uganda (New Shiffing)	1728.02	40		
ı	Dominican Re	ac (D Pasc)	22,9763	14,0850	8.3358	12.2146	Mauritus (Maur Rupes)	33.2460	20.3950	12.0634	17.8741			1057,00	625,185	915.964
	Ecuador	(Sucre)	6381.84o	3915.00	2315.61	3392.69	Mexico (Mexican Peso)	12.B428	7.8785	4.5500	9.8274	A whaten	2.8793	1.7663	1.0447	4 8307
ı			8308.49a	3870.00					4,5850		3 0704	UAE (Pirheut)	6.9873	3,5730		1.5307 3.1629
ı		(Su cre)			2299.99	3353.70	Moldova (Litu)	7.4740		27119	3.9733	United Kingdom 67			2.1725	. 3.160
, ,	Egypt	(Egyptian S)	5.5345	3.3962	2.0092	2,9422	Monaco (Franch Fri	9.2857	5.6964	3.3893	4.8384	United States # 15 G	!	0.0135	0.3829	D.5315
I	El Salvador	(Colon)	14.2715	8.7550	5.1783	7.5870	Mongolia (Tugrii)	1206.85	740.350	437.898	641.579	Uruguey (Peso Uruguenci	1.6301	1	0.5915	0.6666
I	Equat Guine		928,570	589,640	336.933	493.639	Monsperret (E Carb 8)	4,4013	2,7000	1.5970	2.3398	indep ruff(NE)(c)	15.1844	9.3150	- 5.5008	8.0723
I	Catagoria											Uruguay (Paso Uruguayo) Vanustu (Vatus	184.52B	113,200		
I	Estonia	(Moon)	22,0520	13.5280	8.0014	11.7232	Morgeso (Orham)	15,2724	9.3590	5.5415	8,1191	Vatican 'a			98.9568	98,0978
I	EtHopia (Ethiopian Birr)	10.5468	6.4700	3.8268	5.6068	Mozambioue (Metical)	18296.5	11225.4	6636.50	8727.BO	Venezueta (Bolhari	2715.28	1565.72	985.251	1443,49
l													789.702v	484,430	286.547	119.819
ı	Falkland is	(Feat 9)	4	0.6135	0.3629	0.5316	Namible (S.A.Rond)	7 444-	4,4720	2,5461	3.8754		19005.2	11659.0	6898.06	10103.5
l			46 455		0.002			7.2995	70141	44991		Virgin la-British (LISS)	1.6301			
ı		Denish Krone)	10.4958	8.4387	3.8084	5.5797	Natura ta (Australian S)	2.1288	1,3069	0.7724	1.1917	Virgin la-British (USS)		1	0.5915	0.8666
l	Fig 6	(F) S	2.2895	1,4045	0.8307	12171	Nepal (Nepalase Rupee)	92,8343	56.95 0 0	32.6843	49,3522	(02.9)	1.6301	-4	0.8916	D.8666 **
ı l	Finlend	(Markka)	8.3154	5.1012	3.0173	4.4208	Netherlands (Guider)	3.0984	1.8007	1.1242	1.8471	Martin C		. •		,
ı				5.6964								Western Samos (Tatal	4,0220			
	Frence	(Fr)	9.2857		3.3693	4.9354	N'nd Anhlies (A/Guilden	29179	1,7900	1.0587	1.5512	Yemen (Rep of) (Files)		2.4679	.1,4597	2.1887
•	Fr. Cty/Africa	(CFA Fr)	926.570	589,640	* 336.933	493 693	New Zeeland (NZ SI	2.3332	1.4473	0.6561	1,2542		211.913	193.005	70.6912	112.657
	Fr. Quiene	(Local Fr)	9.2857	5.6964	3.3893	4 9364	Nicaracus (Gold Cordoba)	15.1400	9.2683	5.4938	8.0491		8.9826	5.5104	3.2502	4,7758
- 1	Fr. Pacific Is	CFP Fri	168,699	103,490	61.2113	89.6833			589,640	335.533	465,630		2109.35	1294.00		
ı							Niger Rep (CFA Fr)	828.57 0							765,364	1121.97
	Gabon	(CFA Fr)	928.570	569,640	336.933	493.639	Negeria (Naira)	35.67640	21,8850	12.9449	18.9662	Zaire see Congo DemPeo	18,4079	11 <u>.2025</u>	6.6794	P.7880
ı	Gambia	Caland	16.1519	9.9085	5.8606	8.5866	(Naios	138.602m	84.9860	50.2558	73.6297	care sea Congo DemPep				
1	Germany	60-Marki	2,7559	1.6907		1.4651	V——4		7.0439	4.1684	6.1042					
					4444		Namey (Nor. Krone)	11.4823	- 24-24			ECT (ECT)				
	Ghana 💮	(Cedil)	3260 20	2000.00	1182.94	1733.18	Omen (Red Cmare)	0.6276	0.3860	0.2277	0.3338		1.4138	0.8873	0.5130	0.7516
- 1												OUH (SDA)	1 17470	0.2400.0		





FINANCIAL TIMES. MONDAY MAY 26 1997

"Hürriyet is the first and only Turkish national newspaper to receive

the ISO 9001 certificate..."



all we had to do for it, is what we do everyday!

Apart from our devoted readers in five continents and our sales exceeding any other Turkish newspaper,
there is now a third indicator of our dedication to quality: The ISO 9001 certificate.

And all we had to do for it was what we have been doing for the past 49 years.

If you have any intention of investing in Turkey, make sure you invest on quality.

Make sure you choose the opinion leading and best selling Turkish newspaper: Hürriyet.



visit our web site at www.hurriyet.com.tr

to adjust

Bangkok rally generates false hopes Ukraine moves to

Last week's 3.5 per cent rally more. Foreign investors, in the Bangkok stock market may have raised some false hopes among domestic Thai investors, after this year's 30 per cent slide in share

Investors had been running scared from this funds has been dismal," says month's currency troubles. but sentiment was lifted senior vice president at Phaafter Bt1bn in support from Thai banks entered the market, artificially pushing up the value of widely held large cap stocks.

Sure, the light ahead might be the end of the tunnel," says the head of research at a big brokerage house. "But I fear it's from an oncoming train.

"Carnage" could ensue, says another foreign broker. and many fund managers and analysts say this is likely to make Thailand unattractive for even the most risk-prone investors for the rest of the year.

Thai baht remains calm. as it did last week after the Thai central bank imposed selective capital controls to

Another attack on the baht would mean that even the most pessimistic bets are

Few are even betting any

..176.99

359.82 201.88 243.91 96.93

69.24

326.01

World (449)

Argentine (22) Brazil (24) Chile (16) Colombia (13)

Europe Czech Rep.(14) Greece (20)

Turkey (27)

China (27)

Malaysta (24) Pakistan (13) Phililippines (16)

Peru (12)

who over the past four years have determined the overall direction of the Thai market, remained net sellers over the week despite the entrance of the support fund.

"The record of support Mr Supavud Saicheua. tra Thanakit, a leading Thai securities house. "And this one is being

funded by banks who must raise the money from somewhere - which is bound to come back to hurt the market through poor bank earnings, or because the banks won't have money to lend to

Another Bt2bn a week will enter the market for the next two weeks, sourring rallies that will, according to some brokers, be the last opportunities to get

That chance may not even Even that scenario come. The collapse of the assumes that trading in the planned ball-out of Finance One, the country's largest finance company, by Thai Danu Bank after the close of trading on Friday has everyone spooked.

Either the government will engineer a rescue of tive director and chief Finance One in the name of protecting the financial system, thus upsetting foreign pore.

+2.63 +2.45 +3.95 +1.88 +1.94 +0.91 -1.90 +2.35

+3.18

+27.48 +11.08

+1.83

+8.70 +8.27 +5.81 +4.00 +3.12 +3.21 +11.95

-9.15 +21.43 -7.82 +6.51 -0.15 -2.45

ING BARING SECURITIES EMERGING MARKETS INDICES

+2.60

+3.27 +8.61 +7.66 +4.49 +1.85

company or two actually go bust, or it will let Finance One fail, scaring domestic investors who will abandon the entire finance sector in droves fearing that other companies will follow suit.

Some investors claim that with the market down 58 per cent since its 1996 high, companies are starting to look chean But that does not necessarily mean that they are buving.

"It's getting cheaper by the day so there ought to be some value out there," says Mr Mark D. ten Hove, execuinvestment officer at OCBC Asset Management in Singa-

+16.88

+98.79 +39.43 +70.22 +15.26

+278.73 +7.06 +40.32

-18.51 +90.78 -17.74 +33.49 +14.38 +28.50 +19.29

+5.55 -6.94 +4.70 -47.27 +7.94 -59.61 +16.64

+10.54

"But I don't see a concerted effort by the authorities to clean up Thailand's economic problems so I think a Japanese pattern market into a prolonged tailmight emerge where the market trades between 500 and 600 or 550 and 650 for a number of years. It's going to be pretty dull."

Or it could be exciting for those who might be involved in illegal short-selling, as was alleged by the Thai Securities and Exchange Commission last week. Some brokerages are said to be doing good business offering options on the Thai market that kick in at as low as 390

With many foreign investors redeeming their Thai mutual funds, and domestic mutual funds winding up over the next year, there is going to be automatic selling pressure on some of the country's most quality stocks, like Bangkok Bank and Thai Farmers Bank, of the baht to the US which form the core of most funds' holdings.

Meanwhile, two problems will emerge for commercial banks over the summer. First the banks have to make extra provisions for doubtful loans, which will hurt earnings and dampen sentiment.

Second, they will have to reveal the extent of their non-performing loans for the first time.

If the numbers are high. investors are likely to sell. If the numbers are low, investors will believe it is because they have been allowed some leeway over how to classify their loans and

.....

TO SAVE ALL THESE TREES WE

• HELP CHOP •

DOWN THIS ONE.

•

valuable to loggers than other trees in the

High prices for hardwoods ensure that

loggers have no qualus about destroying

So a WWF project in Costa Rica is

escarching ways of felling a tree without

ninging down several others around is

And how to remove it without buildoning

If the minforests are used wisely, they can be used forever. Help WWF prove

this in minforests around the world, by

uniting to the Membership Officer at the

address below.

a path through the surrounding ores.

other trees that stand in their way.

regulation by the central

Another time bomb is ticking in the eurobond market, where more than 50 Thai companies, concentrated in the banking, finance and property sectors, have outstanding issues that were floated at the market boom back in 1993 and

Between now and the end of 1998, six companies are likely to have to redeem those bonds, and brokers are worried about the ability of five of them to pay.

When Sompresong Land defaulted on a eurobond in January, it sent the

The only hope for the Thai market "is for a sustained recovery in the economy and revival of corporate earnings growth," says Mr David Reidel, head of research at Salomon Brothers in Bangkok. "And we're talking about real turnround here, not promises and projec-

That turnround will depend largely on a cut of at least 200 basis points in domestic interest rates, for which there is a considerable amount of political pressure on the central bank to

But such a significant cut cannot occur while the bank is busy defending an exchange rate policy which effectively pegs the value dollar.

Abandoning that peg could eventually bring rates down. But it could also, if bungled,

Either way there will be a buying opportunity, most analysts say.

The peg could be abandoned calmly, leading to a market supporting economic recovery, or there will be trauma and investors will be leaping in to pick up the numerous, but very cheap,

are likely to sell, fearing a continued pattern of lax regulation by the central allay investors' fears

foreign investors attracted to long-suffering population should be sacrosanct. the country's fledgling trea- and a stand-off between the sury bill market by vowing parliament and government to keep its currency - the hryvnia - within a corridor months into 1997 the budget of 1.7 to 1.9 against the dol- has not yet been passed. lar. Mr Viktor Yushchenko. Ukraine's central banker, that pressure was mounting said: "We categorically support the existence of the corridor. This is our credo, this is our conviction."

Foreign interest in the market was heightened tor, this is a serious threat to when Kiev announced the stability of the hryvnia and corridor earlier this year, but recently some buyers have been getting cold feet amid rumours that the band might not come into full force until after the passage of a contentious 1997 budget

by parliament "This [Mr Yushchenko's reassurance) means that the central bank is very serious about defending the currency. It is positive news for foreign investors," said a trader at one of the US banks involved in the Úkrainian T-bill market.

Mr Yushchenko said Kiev's commitment to the hryvnia corridor was formal ised in a joint statement by the central bank and the cabinet of ministers, which committed Ukraine to maintain the current corridor until October 1. He said the central bank planned to extend the existing band

until the end of the year. According to Mr Yushchenko, the corridor is likely to be further formalised later this year as part of loan negotiations between Ukraine and the International Monetary Fund. The talks cannot be concluded until the 1997 budget has been approved.

Mr Yushchenko's promise to defend the currency comes as at a time of increasing strain on Ukraine's fragile young democracy and market economy. A spate of corruption scandals has tarnished the government's reputation, Ted Bardacke | wage and pension arrears

means that nearly five

Mr Yushchenko admitted on the infant hryvnia.

"If you consider that a budget has not yet been passed and that payments are delayed in the state secalso more broadly, to social stability," he said. But Mr Yushchenko said

the central bank would not bend to pressure to turn on the printing presses and print money.

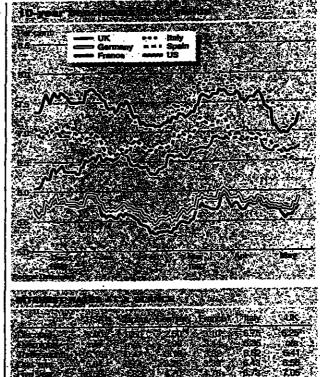
Untainted by the corruption allegations which have eroded public confidence in much of the government, Mr popular clout to convince

Ukraine has reassured have impoverished the Ukrainians that the hryvnia

Mr Yushchenko's man of the people profile may be enhanced if he can push through a plan to introduce new treasury bills in smaller denominations aimed at Ukrainian savers. By tapping into what Mr Yushchenko estimates to be the \$10bn pool of savings Ukrainians currently keep "under the mattress", the central bank hopes the programme would help bring down annualised bond yields which currently range between 23 and 53 per cent. Mr Yushchenko said the retail bonds were printed

and all that remained was to resolve a dispute between the government and national bank over the rate at which the first \$50m tranche should be issued.

Chrystia Freeland



NOTICE

is hereby given to the Shareholders that the Annual General Meeting of the Shareholders of INA S.o.A. will be either held at the Registered Office of the Company on first call on June 25, 1997 at 10:30 a.m. or, at the AUDITORIUM DELLA TECNICA in Rome, Viale Tupini 65, on June 27, 1997 at 10:30 a.m. (second call),

with the following

- Approval of the Financial Statements as of December 31, 1996. Submission of the Reports of the Board of Directors and the Board of Statutory Auditors. Approval of the resolutions concerning the above. Submission of the Consolidated Financial Statements of the INA Group as of December 31, 1996.
- Appointment of the external auditors for the financial statements of INA and the INA Group, including the Annual Report on Form 20-F, for the three-year term 1997/1999. Appointment of the external auditors for INA's Interim financial statements for the three year-term 1997/1999.
- Appointment of a member of the Board of Directors, Renewal of the authorization to the Company to buy back and resell its own shares.

Shareholders who wish to attend and vote at the Meeting must deposit their Shares at least five days prior to the date fixed for the Meeting at the registered office of INA S.p.A. in Rome, Via Sallustiana no. 51, or with one of the following banks instructed by INA:

Banca Commerciale Italiana (including the London Branch), Banca di Roma, Banca Nazionale del Lavoro, Banco di Napoli, Cassa di Risparmio delle Provincie Lombarde, Credito Italiano, IMI, RVA Banca-Marino, Istituto Bancario San Paolo di Torino, Monte del Paschi di Siena, The Bank of New York, Monte Titoli S.p.A. (for the shares dealt with by it). Owners of ADRs (evidencing ADSs, each representing ten Ordinary Shares of INA S.p.A., listed on the New York Stock Exchange), registered on the books of The Bank of New York (the Depositary) as of May 23, 1997, will be entitled to attend (but not vote at) the Meeting upon written request to The Bank of New York.

The right to vote may be exercised also by mail according to the "Regulation concerning the terms and conditions to exercise the voting right by mail" issued jointly on December 30, 1994 by BANCA D'ITALIA, CONSOB and ISVAP, and published in the Gazzetta Ufficiale (Official Gazette) no. 4 on January 5, 1995.

The voting cards to be used for voting by mail, accompanied by the proposals submitted by the Board of ectors and the documentation and reports concerning all the items on the Agenda, excluding item no. 1, will available from the date of publication of the notice in the Gazzetta Ufficiale (Official Gazette) until the date fixed for the Meeting at the Company's registered office and at the main offices of the above-mentioned banks. The documentation and report concerning item no. 1 on the Agenda will be available from June 10, 1997 at

Shareholders who wish to vote by mail must promptly contact one of the above-mentioned banks and deposit with them their shares or, pursuant to art. 3 of Law No. 289 of June 19, 1986, a receipt evidencing that their shares are held with Monte Titoli S.p.A. These banks will provide them with an admission ticket, a voting card accompanied by the resolutions to be

approved and the relevant reports, and a pre-addressed envelope to be used to send the afore-mentioned documents to the Company. The voting cards with the relevant documentation will be also available at every bank associated with Monte Titoli upon prompt request by the Shareholders.

The voting cards with the admission tickets must be received by: INA S.p.A. - Servizio Societario, Via ustiana, S1 - 00187 Rome ITALY, by June 20, 1997.

Voting cards received by the Company <u>after the above-mentioned term or not accommanied by admission tickets</u> will not be taken into account for purposes of determining the quonum for the Meeting or for voting purposes. Unsigned voting cards will not be taken into account for voting purposes.

The vote by mail must be excercised directly by the shareholders and cannot be excercised by proxy.

> On behalf of The Board of Directors The Chairman

Shareholders are kindly requested to present themselves at the Auditorium della Tecnica - where the tification of the Shareholders for the admission to the Meeting will take place - by 10.00 a.m. on June 27, 1997 in order to allow the Meeting to be opened on time.

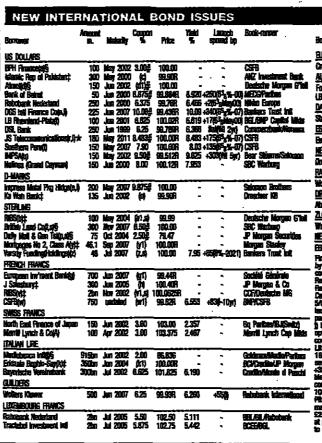
For further information please contact SERVIZIO SOCIETARIO, telephone numbers: 0039-6/4722-4024, 0039-6/4722-4026, 0039-6/4722-4360, fax number 0039-6/4722-4031.



For further Information, please contact: Pat Looker on Tel: +44 161 834 9381 Fax: +44 161 832 9248 or your usual

Financial Times representative

(Ky WWF World Wide Fund For Nature (Secondary World William French



•-									
	Barouer .	Amount D.	Makety	Compon	Pilca	Yield	Tanacy Spread pb	Book-resear	٠.
	<u> 2180 </u>	<u> </u>	<u> </u>						
ik Tel	Crédit Local de Franceigi Australian Dollars	100	Jul 2008	5,375	101.60	5,059	<u> </u>	BL,	
	Ford Credit Caractery UB Schlauwig-Holsteinick DANISH KRONER		Jan 2002 Dec 2001		101.715 101.20	7.326	•	ARN AuroCBC Tuxonia Domini	
	Salaratia ECLDOS	400	Dec 2002	5.50	101.80	6.10	•	Dan Dezate 8a	nk .
	European Ind'Indent Bunick) Nebu Zenland Doulars	10 b a	Jun 2082	5.75	100.00	•	-	BFVCGD	- -
	Orașdar Fisance RAND	100	Apr 2081	7.50	100.395	7.382	•	Dieacines/Town	0.00
	World Bank Dracebas	200	Jan. 2000	14.625	99.90R	14,67		Districte Maga	e 61
	Albey Hall Trz; Servicea(I) 2.074S	10bn	Dec 1999	8.75	99.95%	8.66	-	Credito Halbers	 .
	World Station) HEW TANKANESE DOLLARS		Jan 1999	19.50	100.00R		-	.P Morgan Sez	a lies
	ESRO Final terms, non-cullable	unicas s	Jon 2004 daded, Ye		100.00 d (over re	desirat or	averament t	· Grand Calliany S cools at Jacoch	stino!
	by lead manager. SCore corpora od yfeld. R. & Saderupilon price: 116.5 Repetitional	red re-c il%. Ca a bonda. aci to 14 av price creased 02, theo roza Assi includes in taliar	Mar price (table from bil) 3-miles (to) 3-mi	a) Co 22/5/ h Libor at 102 25/6/ im at 95 4% to 3 starne. Increase Cultable	overeion 00, subje +8bp. cj %. d1) 32 efter 5 y 1.44R and 20/6/01, 1 Denome. st 100. from 1/6/	gallon: zh uct to 13 6-ceth Li 4% do ya Res et pa FF-200an Rest Tec- 1,20na, 13 27%, kt 102 et 102	otys 184.46 10% burdie, 100 +395bp 13, then 8% 10 -83bp, 1 10 -23bp, 1 111.476 sta 1 3-min Li 15% falling 1	5. FX: 3.1425. et accreted v et accreted v et accreted v et accreted v et accreted et accrete et accreted et accrete et accreted et accrete et accret	ziolga 6000. \$95 rem 2 result
	Cooper, vy Securet on te 100.089%, vt) 3-min Pi Phor +170kp. vt) leaner enstanty: 15/9/37. Callett 52.48m and Ches Nr. SA, at par. Cuarterly coupons to maturity. A) Punglide v	av adver nor-telop has epit le trom 11 m, z) , semi-te tith SF:1	eage bond . w) Calls len to cor 15/9/07. ; Amortises treed yiek 50cz. Plus	n. (2004) ble from west and (1) 3-mi from 2- (21) 6.4 (75 day	12/8/07 12/8/07 12/8/07 14 Liber + 1/7/07: au 11575 dak 11 Extrusc	expense at percent of FRM percent of	per. Include wri) 61 ₂ % 1 sying 6-ast 15/9/07, th 22.37 yes. per appropri leids are ca	s PFr500m inc in 12/6/07, their Libbor +555, to an +400m; 72) i Callable from 3 or 8,792% from iculated on ISM	Tenso 1 3-cs 1) Log 2 mag 2 07104 2 0716 A bos

Commerzbank Overseas Finance N.V. USD 200,000,000 Floating Rate Notes of 1993/2005

In accordance with the provisions of the Notes the following notice is hereby given:

Interest Period: May 23, 1997 to November 24, 1997 (185 days) Interest Rate: 5.66875 % p.a. Coupon Amount: USD 145.66 per USD 5,000 Note USD 2,913.11 per USD 100,000 Note

Frankfurt/Main, May 1997 COMMERZBANK 2012

To Advertise

Tour Legal Notices

Please contact

Melanie Mites on

Tel: +44 9171 873 3349

Fax: +44 0171 873 3064

SOCIETE GENERALE FRF 500 000 800 9.25 % BONDS DUE 1999 with coupou reinvestment option Common Code: 3133591 Sicovam Code: 14474

cording to the terms and conditions of the Bonds, notice is hereby given that 667 supplementary Bonds have been created upon exchange against Coupons on account of payment of interest.

New total nominal amount contrancing as of: 31/05/97: FRF 827 200 000

THE PRINCIPAL PAYING AGENT SOCIETE GENERALE BANK & TRUST S.A. - LUXEMBOURG

Yearly High

Yearly Low

%Chg (Prev. Wild)

1 Y Wk Avg. (USD m) 214.25

93238 PKXE 974966

12.93 Div. Yeld (%) 97e/96s

WEERLY VOL. (USD m) 607.58 PREV 676/666

FIDELITY FRONTIER FUND Société d'Investissement à Capital Variable Kansallis House, Place de l'Etoile, B.P. 2174, L-1021 Luxembourg R.C. No B 20494 (in liquidation)

(the "Company")

Pursuant to a decision of the Extraordinary General Meeting of Shareholders held on the 23rd May, 1997 the liquidation of Fidelity Prontier Fund has been clo Liquidation proceeds not collected by the share

been transferred to the Caisse des Consignations to be held for the benefit of the persons entitled thereto. The records of the Company are deposited at the registered office of the Company for a period of 5 years. The liquidator

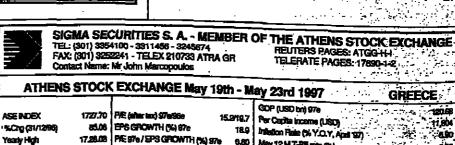
May 12 M T BS rate (%)

6on - 25/6/57 (USD bid. 38.6

POs & Flights issues (in USD m) Jan 1 97-May 25 97

-Month Athibor (%)

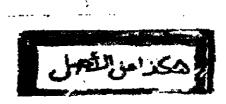




11.9/146

3.02.0

3.439 GRDUSS



lurkey

The government is on notice from the army that there is no room for the premier's brand of Islamist politics. John Barham reports

Living in the long shadow of Atatürk

emai Atatürk died of the Ottoman empire. Kemnearly 80 years ago, but remains Turkey's nation on the road to becomdominant figure. Giant ing a modern state. Howpaintings of Atatürk in vari- ever, as Turkey has develous poses and uniforms hang from state buildings in Ankara on national holidays.

Every year, at exactly five minutes past nine on the morning of November 10, the moment Atatürk died in 1938, Turks everywhere stand still for a minute of silence. His mausoleum complex on a hill in the capital is a secularist shrine. Last November 10, a record 750,000 people visited the tomb. Last year, 2.25m people paid their respects there, nearly twice as many as in 1995.

His profile adorns every Turkish banknote, coin and postage stamp. By law, his portrait must hang in every public office. Every school must have a bust of Atatürk. Kemalism, the national ideology bequeathed by Atatürk, is drummed into children in every school.

Turkey and North Korea are the only countries in the world to practise a personality cult on such a scale, and where the national ideology remains a cornerstone of the state. Kemalism holds that Turkey is a secular, unitary state with a single language and a single flag. Its borders cannot be altered and neither, says the constitution. can its secularist principles.

These principles have served Turkey reasonably well over the past 74 years

oped, so the limitations of Ataturk's legacy have come more apparent.

The confrontation between the army, the guardians of Kemalism, and Mr Necmettin Erbakan's Islamist government is proof enough of this. The army has decided there is no room for his brand of moderate Islamist politics in secular Turkey. Generals acting in the name of democracy have been putting pressure on the legitimately-elected prime minister to quit. Turks take this warning seriously: the army has staged three coups d'état in 37 years.

Gen Cevik Bir, deputy chief of staff, argues that the armed forces "uphold the democratic nature of our state. The basic tenets of our democracy [are] secularism as well as individual rights and liberties within the unitary system of government. [The armed forces expect] everybody in our country to fully observe and conform to

these basic principles". Ataturk, says "according to the constitution, sovereignty belongs to the people unconditionally. No one can impose conditions. He who is democratic must respect the nation's decision. Elections were held and the nation has indicated the solution". Some argue that the con-

Turkey's fractious party polities. Mr Erbakan, who represents just 21 per cent of the electorate, only took power because the secularist parties to the left and right are too deeply divided by personal rivalries to govern.

Others question Mr Erbakan's democratic credentials. Mr Alan Makovsky, a Turkey-watcher at the Washington Institute for Near East Policy, states that "Erbakan's relative moderation in office smacks more of opportunism, than of conviction or democratic evolution".

There are those who say Turkey now has an historical opportunity to re-evaluate Kemalism. Mr Ertuğrul Ozkok, editor of the opposition newspaper Hürrlyet, wrote last month that "without calling it a second republic we are already in fact discussing its need. Turkey is questioning the republic proclaimed in 1923. Now is the right time to begin discussing the possibility of a second republic".

The crisis of Kemalism goes beyond the army's confrontation with Mr Erbakan. The secular state is decaying, corroded by corruption Mr Erbakan, 69, quoting and overwhelmed by debts piled up a dysfunctional public sector. The economy is adrift for lack of effective government. Inflation, under-employment and low incomes are chronic problems. Society is becoming polarised between secularists and Islamists, right and left, Kurds and Turks, Sunni since Ataturk built the frontation is not a crisis of Moslems and the large republic out of the proclame the system but applying minority Alevi sect which



reac 39,360 ac iom	Head of state
opulation: 1.6 m (1995 ld-year est)	President, elected by an absolute majority of the Medis for a seven-year term. Currently Suleyman Demirel, elected in May 1993
ation .	
524,000	
798,000	
085,000 123,000	
872,000	
D	
,879:38 4750.00	
	Mational government
100 mm (100 mm) 100 mm (100 mm)	Parliament voted confidence in a new cabinet on July 8 1996. The

Neomettin Erbakan, who wit hold the True Path party led by Tarsu Cifer. Unicement Media (parliament) of 550

governments that fear politi-

However, the authorities

avoid discussing these ques-tions. President Süleyman

Demirel, toppled twice as

prime minister by the army

and now Turkey's respected

elder statesman, says: "We must strive to heal the

wounds of the system.

Main political parties Electoral system nist - Welfare party (RP) Universe direct suffrage over age of 18. Only parties gaining more than (ANAP), True Path party (DYP) P), Republican People's party or sease in the partiament.

(SBP), Grand Turkey party (STP) • Independent pro-Kurdish • December 24 1995; next elections due People's Labour party (HEP)

Secular Turkey is also losing its validity as a model for the Moslem world, so the debate over secularism and democracy, the roles of Islam and the armed forces in a modern state has wider implications both for Moslem states and for western

practices a heterodox form

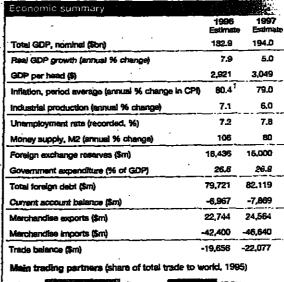
of Islam.

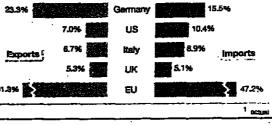
Parliamentary republic

Based on European models and

M National legislature

. Legal system





Attempts to replace this system with a new one would cause heavy sacrifices." An army general was blunter, saving "Atatürk and his friends would spit" on anyone who tampered with the

secular state. Mrs Tansu Çiller, deputy prime minister, is also ducking the question. As We are not going to become

True Path party, the government's junior coalition partner, she appears more intent on remaining in power and attempting to unite the divided conservative movement under her leadership. She says: "Let us not politicise secularism and religion.

a world power by wasting our time wondering if we are going to be another Algeria.

The debate has moved from parliament and on to the streets and into the media. Television devotes prime-time slots to long political debates. Demonstrators have marched peacefully in their hundreds of thousands, most of them to support secularism. Even concerts of western classical music have become a celebration of secularism.

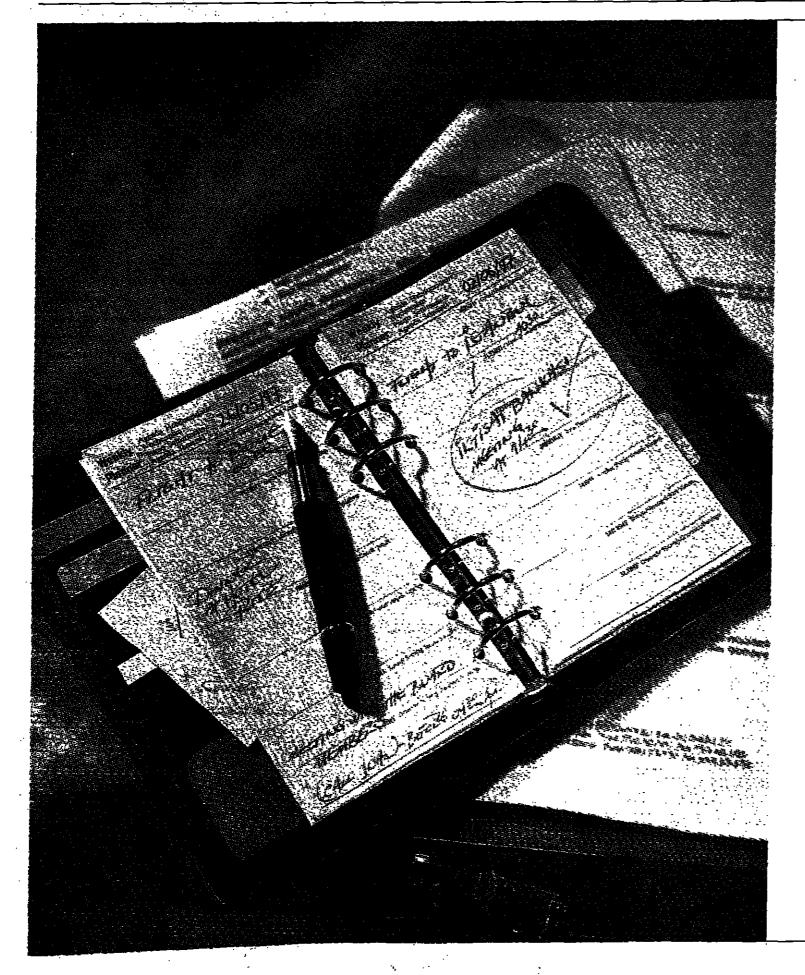
Turkey needs to reform if is to evolve into a fully modern state, where the powers of government, the armed forces and the mosque are clearly circumscribed and the rights of individuals and minorities, such as the Kurds, are respected. But the military opposes any reform, claiming that it might lead to dissolution of the unitary state.

Turkey must also change to fulfil Ataturk's dream of becoming part of Europe. Many Turks suspect their country's Moslem identity will always prevent member-ship of a Christian EU. However, a European diplomat said: "We can accept a Moslem state (in the EU) but not a Kemalist one".

The shape a new republic might take is far from clear. Transition is likely to be slow, confusing and possibly violent. In spite of apprehension over the army's resumption of a direct role in politics - one newspaper columnist says Turkey is living through a "soft coup" the country has avoided unrest. There is no guarantee this will continue.

Turkey has a history of political violence. Twenty people a day died during fighting between extreme left and right wing factions in the 1970s. The 12-year Kurdish rebellion in the south-east has cost more than 20,000 lives. The ageing Mr Erbakan is no rabble-rouser, but there are younger and more aggressive men in his Welfare party ready to take his place.

Yet Turkey also responds well to strong leadership, as Atatürk's career shows. In the 1980s, Turgut Ozal, a former prime minister and president, liberalised the economy and created a dynamic new entrepreneurial class. Turkey has not yet found a leader for the 1990s and time is running out.



When business comes to Turkey, banking comes to İktisat.

In a global economy, the demands of foreign trade finance require a reliable partner. A partner with the competence, experience and imagination to find the right solution for your opportunity.

As Turkey's full service merchant banking group. Iktisat has the resources, professional organization and technology to make fast, informed decisions to meet your trade finance needs.

And people with the commitment to building relationships that lead to success.

Find out why İktisat is the choice in Turkey for more than 1,500 correspondant banks around the world.



Please call Mrs. Nebahat Timur Tokgôz A.G.M. International Banking Head Office: Büyükdere Cad. No. 165 Esentepe, 80504/ İstanbul Tel: (90) (212) 274 11 11 Fax: (90) (212) 274 70 28

The other best thing about doing business in Turkey.

What first attracts you could be any one of many reasons. With vast resources and competitively priced industrial production, it's no wonder our economy is in steady growth, making Turkey an ideal export market. But if you ever need a second reason for doing business with the newest member of the European Customs Union, look no further than Işbank.

As the largest private commercial bank in the country, with substantial foreign currency reserves, direct-access market experience and long-standing reputation for sound policy, İşbank offers the perfect partnership for international business.

And İş Investment (İşbank Capital Markets group) is uniquely placed to help foreign investors. Our leading position in the İstanbul Stock Exchange, and a comprehensive range of services from brokerage to custody. together offer you unparalleled expertise.

Through our London branch and our subsidiary in Frankfurt, İşbank GmbH, we work round-the-clock on an on-line. real-time basis. And our nearly 1500 correspondent banks worldwide allow us to serve you wherever you may be.

Get in touch with İşbank, Turkey's major bank for foreign transactions. You'll find exactly what you like best in good business.

İSBANK

unium pionus contratt: (lecul of Capital Markets Department: Y. Z. Toprak Tat: (90-2121211 18 40 rts Department, Mays Akar Censer, Bilythidore Cad. No. 100-102 80280 Escarepe-Istanbul / Turke Fox: (90-212) 211 46 39 - (90-212) 211 06 81 Swift; adultum

INO IOCal touch.



In search of a better correspondent in Turkish banking? We strongly recommend a truly global partner with none of the local dissonance. The only multi-branch Turkish bank awarded longterm A rating three years in a row by Capital Intelligence. The highest rated emerging market bank by Thomson Bankwatch. The Turkish bank whose high regard among international financial community generated

\$1 billion in funding facilities in 1996. The

Bank that has completed several asset backed

securitization programmes with maturities 5-7 years. The Bank that was selected as the "Best Bank of

Turkey" by Euromoney for 2 consecutive years. Then again, if you think your correspondent in Turkey should also have local strength, who could be a better choice than a bank that handles 9.0% of Turkey's exports? A bank that handles 4.2% of Turkey imports. A bank whose foreign currency transactions totaled \$16.5 billion in 1996. A correspondent bank with global standards and local power.

For further information please contact Mr. Hüsnü Akhan, Executive Vice President. 63 Büyükdere Caddesi, Maslak 80670 İstanbul/Turkey Tel. Fax: (90-212) 285 40 40 Telex: 27635 gatı-tr http://www.garantiha

II TURKEY

THE ECONOMY • by Metin Münir

Exception to a rule

The ability to sustain growth despite persistent inflation baffles economists

Turkey's ability to achieve impressive growth rates despite high endemic inflation is one of the mysteries of economics.

covering 127 countries suggests that inflation rates negatively". The study found that during an "inflation resources. crisis" - which is defined as a rate of 40 per cent or higher prevailing for two consecutive years countries experience growth which is both significantly and secondary industries. It the period and under the

Turkey is an exception to this rule. "Turkey's performance over the past two decades defies the conventional wisdom that high inflation is necessarily associated with low growth," says the World Bank.

Turkey started the decade with an inflation rate of around 60 per cent, which drifted toward the current level of about 80 per cent. GNP grew by 8 per cent in 1995 and 7.9 per cent in 1996. corresponding to 92 per cent and 80 per cent inflation respectively.

The government has a growth target for this year of 4 per cent and an inflation target of 65 per cent. Both are likely to be surpassed.

Turkey's ability to sustain GDP from 4 per cent the growth despite persistent inflation baffles economists," Mr Frederic Temple, head of the World Bank mission in Turkey, told businessmen in Istanbul recently. "Indeed, it even frustrates them."

Turkey seems to have chosen the Italian model for deterioration was the high development: growing from poverty to wealth under high inflation, a weak currency, budgetary anarchy revolving-door

Officially registered foreign trade (\$bn) Imports Balance Exports 11.24 Maria 1.24 22.87 8.15

dynamic, versatile, resilient ennes went towards servicand flexible, the state sector, ing the domestic debt. Interof above 40 per cent affect which still dominates the est rates on Treasury bills growth rates "severely, economy, is inefficient, cor- were forced up by political rupt and a huge drain on

The public sector, which is overmanned and underproductive, extends from traditional services and utilities to a wide range of primary below the world average for accounts for 10 per cent of employment and 25 per cent country's own growth rate of the large-scale corporate prior to the outbreak of the sector's manufacturing outsector's manufacturing output, according to the World

> State dominance in the banking sector is even stronger. Six of the 10 largest banks are state controlled In 1995, over 43 per cent of total deposits in the banking system and about 38 per cent of assets were in state

It is the performance of

the state sector which is, ultimately, at the root of inflation and its main cause is government overspending. According to IMF data, at just under 30 per cent of GDP, the level of public expenditure in Turkey is 50 per cent higher than those of other middle-income coun-

In 1996, the budget deficit "I must confess that jumped to 8.2 per cent of year before. At year-end, the domestic debt had grown by 28 per cent to nearly \$30bn.

The consolidated budget deficit rose by 113 per cent in real terms to \$14.95bn from \$6.89bn the year before. The main reason behind this real interest rates on domes tic borrowing and short

The Treasury had to roll some of its maturing debt three times within the year, Growth is subject to con-substantially amplifying privatisation), and the budtradictory pressures. While interest payments. More get deficit is expected to for the masses.

A World Bank study the private sector is than half of government revuncertainty, with compound three-month rates going as

> According to the Banks Association of Turkey, in April yields at dollar terms net of inflation were running at 15 per cent for three-month tenors and 23 per

high as 286 per cent in early



cent for six months. The government's economic policy is focused on short-term palliatives centred around raising revenues to reduce borrowing. The introducing a series of programmes. so-called "resource pack- inefficient state companies. ages", which aim to asset sales and privatisation,

Thank God Turkey is a rich country," Mr Erbakan said. "Wherever you turn Soon we will be able to give aid to the west."

to obtain a balanced

But most items in his packages are either imagi-(like \$14bn earmarked from

Research, one of Turkey's most respected research companies, foresees a budget deficit of \$ 17bn in calendar

in 1996, the first year of the Turkey-EU customs union - which resulted in the elimination of virtually all tariff barriers - the trade balance deteriorated sharply. Although official figures for the whole of 1996 have not yet been published, estimates indicate that exports were \$24.9bn and imports \$44.2bn

For 1997, the government forecasts a 12 per cent increase in imports to \$49.5bn and a 20 per cent increase in exports to \$30.1bn, leaving the foreign trade deficit more or less unchanged at \$19bn. It is widely predicted however that exports will exceed this target in parallel to GNP growth, which is expected to exceed the target of 4 per

The government expects the current account deficit to decline by 18 per cent in 1997 to \$6bn helped by the continuation of the boom in unrecorded exports to former Soviet states.

The IMF believes that "the economy is in a fragile situation" according to Mr Martin Hardy, the IMF assistant director in charge of reviewing the Turkish economy. He believes that strong political will is required to tackle the underlying problems: the budget and trade deficits. endemic high inflation, the Necmettin Erbakan-Tansu bankrupt social insurance Ciller coalition tried to service, the ruinous address the problem by agricultural support introducing a series of programmes, and the

Earlier this month Mr raise \$30bn, mostly from Erbakan established a technical group to prepare a medium-term stabilisation programme - something the central bank has been urging him to do since coming to power nearly a year ago. But it is doubtful whether he - or any other politician in the fragmented parliament – will ever implement such reforms. nary or wildly optimistic which would challenge powerful entrenched interests or entail hardship

FOREIGN INVESTMENT • by John Barham

Political instability unnerves investors

Large companies enthuse about

self-promotion by Ankara is lacking

Turkey is the kind of country some foreign investors dream of. It has a large, growing population of mainly young people that is hitting the spending age. Incomes are growing, and with them a hunger for consumer goods.

Turkey's economy is volatile, but the government has maintained its commitment to liberalisation. Last year, a customs union came into force between Turkey and the European Union. Wages are about one-sixth less than in Europe, but workers are often highly motivated. Unionisation and strikes are

So why has Turkey never attracted heavy inflows of foreign investment? It has rarely attracted very much more than \$1bn a year in inward investment at a time when capital transfers from rich to developing economies have grown sharply. Last year, when investment flows rose 19 per cent to an estimated \$231.5bn. investment in Turkey remained flat.

Political instability unnerves many investors. Last year, Turkey had three governments. The present coalition is weak and ineffective. Decision-making is slow, Inflation of 80 per cent a year, stalled economic reforms, an impending energy crisis and inadequate infrastructure are further deterrents. In March, Euromoney, the business publishers, moved Turkey 14 places down to 67th position in its country risk rankings. All the leading international credit rating agencies have downgraded Turkey.

Mr Yavuz Canevi, head of Yased, the foreign investors' association, complained: "In this climate, a large number of our members had not only put a halt to new investment in Turkey but also been forced to postpone renewal and expansion investments [Turkish financial] crisis. We

or to suspend them com- always kept on investing." He said new investments,

opportunities, but which five years ago made up almost half the total inward investments, fell to just 6.5 per cent in 1995, with reinvestment of locallyearned profits accounting for nearly all foreign invest-

Customs union was expected to spark off an explosion of foreign investment in Turkey. Although EU-based companies are the biggest investors in Turkey, response so far has been

Yet Mr Enver Güney, head of the government's foreign investment directorate, says Turkey began freeing up its once-autarkic economy over 15 years ago and now has one of the region's most liberal investment regimes.

He adds that delayed public sector reform means there can be little foreign participation in privatisations and infrastructure projects, the principal motors of foreign investment in emerging economies. Turkey's 10year privatisation programme has raised \$3.06bn in revenues, but foreigners, mainly portfolio investors, have bought only \$623.6m of

Intriguingly, foreign companies and banks well-established in Turkey say it is one of their most profitable markets. Mr Christoph Urban, a Yased official and executive director at Siemens' Turkish subsidiary, says; "We have never lost a penny in Turkey. We have always had profitable years and, I must say that in comparison with European countries we are the most profitable of them all." He says Siemens' return on equity averages over 20 per cent.

Mr Urban says this record of profitability has made it easy to justify investing in Turkey "Each year we invest DM40m to DM60m because we believe in the country. No matter what, we have kept on investing at times of [national] bankruptcy, military take overs, the Gulf war and the 1994

Siemens has had its problems in Turkey, usually involving the public sector. This year the city of Istanbul cancelled a contract awarded. to a Siemens-led consortium to install electrical systems in the new metro railway system. Last year, Ankara suspended operation of a

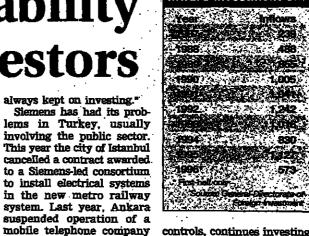
An official at the International Finance Corporation, the World Bank body that finances private companies. said: "When you view Turkey from above it looks terrible. But viewing from below, from the micro, company level, it looks great."

in which it held a minority

Turkey has many sophisticated, well-managed companies and has a growing number of. successful second-tier companies. It is they who are carrying out the bulk of investments in Turkey in the absence of significant foreign or public investment.

Furthermore, bad news usually travels further and faster than good news. Company headquarters can be swayed more by newspaper reports than presentations from their own executives.

An executive at an international oil company that has suffered heavy losses for years from government price



controls, continues investing to expand his retail network to prepare for the day when Turkey liberalises the fuel market. He says: "Argentina used to be our worst market in the world. After it liberalised and privatised it became our best market. But I do not know how much longer our shareholders want to go on betting money on Turkey becoming an Argentina."

Turkey will probably not attract massive foreign investments without stabilising its economy and beginning privatisations. But Mr Urhan, who once headed the New York office of Germany's Treuband agency that privatised eastern Germany's state companies thinks Turkey could sell itself better. He says: "Turkey is not promoting. itself very well. You have to go where the investors are, you have to explain the situation, you have to find good examples."

Expert advisers to the hotel and leisure industry in Turkeu

If you are looking for focused advice about developing your hobel, tourism and leisure business, we have the expertise to help you make the right decisions.

- bul: Mehmet Onkal + 90 212 275 9690

and Leisure Worldwide

2.0

÷. ;,•

, <u>La 1888</u>

Workers' party (PKK). The

evidence that police were

involved in gangland

But the government cut

short the committee's work.

obstructed attempts to lift

prosecution, and has only

brought charges against a

few low-ranking policemen.

The government lashed out

against the media, which

investigated the scandal,

threatening to punish

officials worry that the

infecting the state. Police

seized over four tonnes of

heroin in 1996, but

trafficking is growing. About

80 per cent of Europe's

In January, a German

smugglers arrested at

Frankfurt airport said they

had "excellent relations"

with the government and

"personal contacts" with

ministers, which had

seriously complicated

However, these scandals

have begun mobilising

public opinion, in spite of an

abundance of controls and

restrictions on free speech.

offering proof of the vitality

of Turkey's democracy. In

February, ordinary people

across the country turned off

the lights in their houses for

a minute at 9pm in protest

at corruption. Thousands

took to the streets in

demonstrations demanding

rather than in parliament

have become the centres of a

debate over the country's

future, on how secularism

and Islam can be reconciled.

Although the army's

growing role in politics has

created a sense of unease, it

has not prevented - indeed,

it has brought added

urgency - to the discussion

of the basis for a new

republic as Mr Erbakan's

coalition limps on.

more democratisation. The media and the streets.

peaceful

investigations.

generally

heroin transits Turkey.

Western drug control

reporting of "false news".

killings.

TURKEY III

POLITICS • by John Barham

Slow death for a coalition

The army has brought the Erbakan government to a standstill

Mr Necmettin Erbakan's government ceased to function as an effective adminis. tration on the evening of February 28. After an eighthour meeting, the National Security Council (NSC) handed down a list of 18 "recommendations" warning rassed at supporting what that failure to comply would bring specified "sanctions".

The council is dominated by the military. Governments invariably obey its years. Few are sure what recommendations to the letter. It demanded a crack down on Islamist organisations and implementation of MP, said the "first stage is to eight-year compulsory edu- get rid of [Mr Erbakan], and cation that would reverse the growth in state-run reli-

The government's authority began seeping away immediately. The military Leaders should accept their and its secularist supporters expected Mr Erbakan would either comply and lose legitimacy in the eyes of his Islamist supporters or simply quit. No civilian leader has ever defied the army. Mr Erbakan said plaintively: "In Turkey, governments are formed in parliament, not in the National Security Council." However, he has chosen a middle path, and is attempting to equivocate. The government has taken

no major decision of its own since that evening. Instead, it is suffering a slow death by a thousand rumours. Mrs Tansu Ciller, deputy prime minister and leader of the centre-right True Path party. the government's coalition ally, said: "There are whispers around us asking when the next coup is going to take place."

While most of Turkey's secularists are relieved that the army has blocked Mr Erbakan, many are embarone newspaper columnist called a "soft coup". The generals have toppled three governments in the past 37 will happen next.

Mr Mumtaz Soysal, a militant secularist and left-wing that is what the military is indirectly doing. Then [we should see to it that the politicians create a more secular-oriented government.

responsibility". However, efforts by True Path rebels to weld a new government out of the current fractious parliament are not succeeding. The centre-right is divided between two bitterly opposed parties, as is the centre-left. Although these four parties hold most of the seats in parliament, their leaders have not overcome their personal rivalries to form a pro-secularist gov-

As a result, Mr Erbakan's principal credit. But it has south-east of the country, in the December 1995 elecright Motherland party col- parties. lapsed after only three months.

The media and business elite, with army support, are calling for a temporary technocratic government to take over for long enough to prepare the country for fresh elections after rewriting the election laws that would end the division on the right and left and prevent Welfare from taking more seats. Although Mr Erbakan

his Islamist agenda - except for an abortive foray into international affairs - secularists say he must be stopped. However, the causes of Welfare's ascendancy - economic instability, political police chief. corruption, inequality, social dialocation caused by urbanisation - remain. Welfare. with its image of incorruptibility, has capitalised most

on this discontent. Opinion

polls show no decline in sup-

came to power. It still ranks

first with 25 per cent of voter

never began implementing

intentions, while support for other parties fluctuates.

Welfare party, which took not cut high inflation, raised where the army is fighting only 21 per cent of the votes low wages or cut guerrillas of the Kurdistan under-employment. Yet a tions, is parliament's largest steady stream of political committee even found party. He became prime min-scandals, most of them ister last July after a minor-involving secularist ity alliance between True politicians, has eroded Path and its rival centre- support for mainstream

> Although parliament has cleared Mrs Ciller of three MPs' immunity from corruption charges brought by Mr Erbakan before they formed their coalition - her integrity is seriously compromised. A bizarre incident last

November

extensive and long-standing links between the security forces, politicians and organised crime. A senior police officer, a gangster and his girlfriend were killed when a limousine they were travelling in together crashed. A True Path MP in the car survived. The ensuing scandal brought down Mrs Ciller's interior minister, also a former

parliamentary committee of enquiry discovered that previous governments used gangsters as hired assassins to eliminate "state enemies". Mr Abdullah Çatli, the gang port for Welfare since it leader killed in the car crash, was closely involved in far-right politics, and was

a wanted heroin smuggler. MPs found that heroin The economy posted smugglers sometimes work strong growth last year - for closely with the security Welfare claims forces in the Kurdish FOREIGN POLICY • by John Barham

Party and ministry in competition

Ankara has much work to do if it is to achieve aim of full EU membership

Turkey's foreign policy was once immune to political upheavals. However, since Mr Necmettin Erbakan became prime minister last June, his Welfare party, the armed forces have each developed their own competing - and sometimes con-

narcotics trade, worth billions of dollars a year, is flicting – policies. Mr Erbakan departed from Turkey's traditionally prowestern alignment by developing ties with the Moslem world, to the alarm of Western governments. At the same time, the generals began deepening their milljudge trying three heroin tary and intelligence relationship with Israel, warning Mr Erbakan they would not tolerate rapprochement with Iran.

> Meanwhile, attempts by Mrs Tansu Çiller, deputy prime minister and foreign minister, to push Turkey to the front of the queue for-European Union membership backfired when the US rejected her threat to veto Nato expansion if Turkey were excluded from the EU's list of countries slated for future membership.

Statements in February by Mr Wilfred Martens, president of the centre-right European People's party in the European parliament, that Turkey was "not acceptable" for EU membership. strengthened Turkish suspicions of European anti-Moslem prejudice. Mr Onur Oymen, foreign ministry director-general, warned of a "cultural, religious iron curtain" replacing the iron curtain that had divided west-

Still, EU foreign ministers agreed in April that Tur-key's membership application would be judged on the same criteria as other countries. However, Turkey, which applied and was begin next year. European

ern and eastern Europe.

rejected in 1987, may have a diplomats say Cyprus cannot long wait. These criteria include tough economic targets respect for human rights, and a fully functionbelieve their country's large population (second in Europe to Germany) and Moslem identity could still prevent it from ever joining.

Tansu Cilier: bid to push Turkey to the front of the queue backfired

Member governments say an EU-Turkey customs union that began in January 1996 should be the basis of a special relationship prior to eventual EU membership. But Mrs Ciller said "either Turkey [becomes] a full member or she will not hang on as a second-rate mem-ber". Greek vetoes on EU aid and a surge in Turkey's trade deficit with Europe has led to more disillusionment

with the customs union. Friction with Turkey's old rival, Greece, continues. Last year, they nearly came to blows over two uninhabited Aegean islets. Turkey has warned it would declare war if Greece increased its territorial waters in the Aegean from six to 12 miles, as it is legally entitled to. And, in January, Turkey threatened to attack Cyprus after the Greek-Cypriots ordered Russian air defence missiles.

Ankara has stated that it might annex Turkish northern Cyprus, which it has occupied since 1974, if the southern Greek-Cypriot government joins the EU. Negotiations on Cypriot accession

join while it is divided, hoping the lure of membership will speed reunification and ease tension between Greece and Turkey.

Relations between Athens and Ankara did improve after Mr Theodoros Pangalos, the Greek foreign minister, sprang to Turkey's defence following Mr Martens's comments. The two countries agreed to an EU initiative to create a commission of non-government "wise men" to report on bilateral problems. Yet the Turkish general staff still sees an expansionist Greece as Turkey's principal strategic threat.

The secularist military played a discreet role in foreign affairs when policy conformed to Atatürkist principles. Now it has taken a more prominent role by forging ahead with an independent pro-Israel policy, to Welfare's fury.

Israeli military aircraft crews train in Turkey. Israel Aircraft Industries won a \$650m contract to upgrade Turkish Phantom fighter bombers. The generals want to buy arms from Israel to overcome a de facto arms embargo imposed by the US.

Turkey and Israel are also developing a commercial relationship. Turkey ratified a free trade agreement to gradually eliminate trade barriers by 2000. Bilateral

Continued on Page IV

THE ARMY • by John Barham

ling people's trust

Some observers worry that the military's ideology is anachronistic,

perhaps paranoid An opinion poll in February to find Turkey's most trust- state. The republic has miliworthy institutions ranked the army first, with 90 per cent support; two-thirds of respondents said they distrusted the government. The army may have seized power from elected governments three times in the past 37 years, but civilians and solultimate guarantor of national unity, democracy and law and order.

Last December, Gen Ismail Karadayi, chief of the general staff, said the armed forces would ensure that Turkey remains "a democratic and secular state [based on the rule] of law. The armed forces are dedicated to Atatilitie's nationalism, and are the untiring guardians of his reforms and

Gen Karadayi and his supporters on both the right and modern society".

left see little frony in overan's elected government to save democracy and defend an ideology formulated 70 years ago. Mr Mümtaz Sovsal, a left wing MP and militant secularist, said: "The army is the founder of the tary blood. This is not an ordinary republic, it is a Jac-

obin republic." Like many secularists, Mr equate secularism with democracy and political Islam with obscurantist dicdepartment, says "eliminat-ing fundamentalism is a matter of life and death for

However, observers worry that the military's view of its place in society and its ideology has grown anachronistic, even somewhat paranoid. Mr Fehmi Koru, chief columnist of the moderate Islamist newspaper Zaman. says "the army wants to recreate the atmosphere of the 1930s. But there is no place for a powerful army in a

riding Mr Necmettin Erbak- influential television journalist and author of two books on the military, says: "The army really believes that radical Islam is as significant a threat as the Kurdistan Workers' party (PKK)]. I get the feeling the army is not living in the same country."

He disagrees that Turkey's Islamist movement is a monolith that must be Soysal and the generals destroyed. He argues that it includes moderates and democrats as well as extremists.

Some Islamists say the tatorship. Brig Gen Kenan army's tough anti-Islamist Deniz, head of the general line is putting its discipline staff's internal security at risk. Mr Erol Yarar, chairman of Müsiad, an Islamist business association, says: "If the debate continues like this, the army will lose ground in society. A small number of officers will mean nothing without an army. The people will not question the army, but the people

who control it." Some independent analysts say about 20 per cent of the ranks have Islamist sympathies, about the same proportion as in Turkish society. Every year the army purges suspected Islamist

tinction between devout Moslems and political activists. However, few believe the army's Ataturkist esprit de corps will splinter.

Although attention has focused on the army's response to internal political threats, the generals justify a large military establishment by pointing to perceived external threats.

Turkey is on bad terms with all its immediate neighbours, with the exception of the Turkic former Soviet republic of Azerbaijan.

Relations are particularly had with Greece. Fighter aireach other to doglights. The military's assessment of Greece, a Nato ally, is bizarre. Admiral Mustafa Ozbey, a senior general staff officer, claims Athens has an expansionist foreign and security policy that is driven by the "Great Idea" of restoring the Byzantine empire that vanished over 500 years

Other Nato countries are cutting military spending and streamlining defence industries, but Turkey's armed forces are under no such restrictions. Turkey has the second-biggest army in Nato after the US and is one of the world's biggest arms buyers.

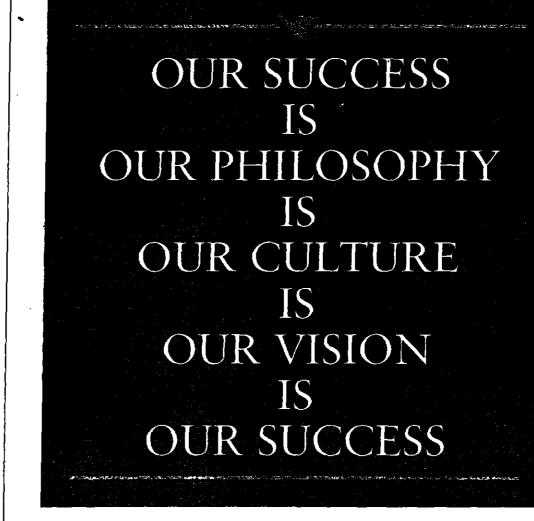
Wealth and power have also brought corruption. Commentators say officers may be far less corrupt than civilian politicians, but the taint of corruption is undermining their integrity. The army refused to allow officers to testify before a par liamentary inquiry investing links between organised crime, the security forces and politicians.

However, the generals are aware of the limits to their authority. Mr Birand says they have no hunger for power, preferring to take over government for short periods to quickly rectify the politicians' errors. Furthermore, they understand that a post-Cold War world is less tolerant of old-style coups

ultimatum to Mr Erbakan to quit, they used a scheduled meeting of the National Security Council, a body established under the consti tution, to issue "recommendations" for Mr Erbakan to move against Islamist organisations. The generals have mobilised secularist politi-cians to force Mr Erbakan to

comply or resign.

The generals also claim to be above politics, and reject critical discussion of their role in politics and society. However, the army's reluctance to relinquish a leading role in society could threaten the Ataturkist vision of Turkey becoming a modern European state. Ms Pauline Green, leader of the European parliament's powerful Socialist block, told Gen Bir: "We have difficulties with a system where an unelected military could apparently dictate terms to an elected govern-



Around 15,000 new accounts every week, more years... This is Yapı Kredi, the largest Turkish bank which is not owned or controlled by the state.

Perceiving banking as a life-easing high-tech system supported by a highly competitive staff... Continuously producing specially designed products based on universal concepts... This is Yapı Kredi, the bank that represents the "global" in the Turkish banking sector.

Investing more than \$ 100,000,000 for a totally than 3,000,000 new accounts in the past five new, internationally revolutionary banking technology... This is Yapı Kredi, the bank that astonishingly conceives retail banking, corporate banking and investment banking all under one

Yapı Kredi is years of flawless management because Yapı Kredi is a philosophy, Yapı Kredi is a culture, Yapı Kredi is a vision. Because Yapı Kredi



TELEPHONE. (49-211) 136 97 50 FAX: (49-211) 136 97 39 TELEX: 8586783 YARED SWIFT YAPI DED. TELEPHONE. (4921) 136 9/ 90 PAX: (4921) 136 9/ 90 PAX: (4921) 136 9/ 90 PELEX: 8567/33 YAB U SWIFT YAP (1983)
YARI VE KREDÎ BANKASI AŞ. BANRAN KUMATÎ AŞIŞ BANK BULÎNAS, 300 PELEX: 90 PELEX: 8507 YAPBAH EN YAPÎ TOKÛ BANK MOSCOW QONÇIARINAYA EMBANIMÊNÎ TELEPHONE: (973) 530 312-530 313-530 310 PAX: (973) 530 311 TELEX: 9331 YAPBAH EN 9635 YAPBAH EN YAPÎ TOKÛ BANK MOSCOW QONÇIARINAYA EMBANIMÊNÎ MOŞCOW 106172 RUSSIAN FEDERATION TELEPHONE. (7069) 915 07 12415 08 51-915 31 88-918 31 88 FAX: (7069) 96 19 72 TELEX: 414151 YATO SU POR A COPY OF OUR CURRENT ANNUAL REPORT AND ACCOUNTS, OR MORE INFORMATION, PLEASE CONTACT ME, NEMAL KAYA, EXECUTIVE VICE PRESIDENT, YARI VE KREDÎ BANKASÎ A 3. YEAÛ OFFICE. YAPÎ NEMÊ PÎRAX BÛYÎNDERÊ GADDESÎ LEVENT BOŞCÎ STANBUL TÜRREY TELEPHONE. (93-212) 280 10 03 FAX. (93-212) 278 12 89 TELEX: 20718 YAĞE TR.



... in every aspect. At Ciragan Palace Hotel Kempinski Istanbul you are greeted with a breathtaking

view, immaculate service in a truly unique location!

Offering everything that a business or a leisure traveler will need and

more, the hotel is



TEL- 9 0 212 256 35TT FAX: 9 0 212 239 6687 http://www.caragampalace.com

of the Bosphorus;

a regal casis full

Discover excellent dining with

Turkish and international cuisine in

a variety of outlets, health club,

swimming pool by the sea, and

even a putting green on the shores

ISLAMIC BUSINESS • by John Barham

Prospering under Welfare

Interest-free lending continues market for Islamic finance houses

If Islam has emerged as a powerful new political force in Turkey, its influence is also growing in the corporate world. Fifteen years ago, there were few, if any, such groups. Now, there are thousands of companies claiming to operate along

Although it is hard to define what Islamic business practice is, beyond the prohibition on usury and an emphasis on ethics, many observers say the sector is growing rapidly. Islamic companies still tend to be small, but they have benefited strongly from the rise to power of Welfare, the ruling Islamist party.

Welfare has strengthened Islamic businesses by dispensing central and local government patronage that was previously denied them. of Ihlas Holding, a big than it could in the past,

Continued from Page III

trade was only \$448m last

year, although Israeli tour-

ists spend another \$250m to

\$300m a year in Turkey.

Jerusalem expects trade

flows to exceed \$2bn by 2000.

The military even forced Mr

Erbakan to see Mr David

Levy, Israel's foreign minis-

ter, when he visited Ankara

Quixotically, Mr Erbakan

is trying establish Turkey as

leader of the Moslem world.

Last year, he created the

"Developing Eight" – or D-8

that comprises Iran, Egypt,

Indonesia, Pakistan, Nigeria,

Bangladesh and Malaysia as

a counterweight to the rich

foreign policy issue because

energy consumption is grow-

ing by 10 per cent a year.

world's G-7 grouping.

group of Moslem countries

In Istanbul, governed since Islamic conglomerate, is irrithanks to its good govern. \$699.3m, and a 26 per cent 1994 by a Welfare mayor, tated that his company ment connections. It has rise in net income. big local or international

Müsiad, an Islamist busi-1990, now claims 3,000 members. Last year, it had 2,200. Most of these companies, are ish people' small or medium businesses to medium technology secstruction or furniture-mak-

The growth of these companies alarms the army. In February, the military-domi-Council included as part of its anti-Islamist "recommendations" to the government a stipulation that "finance organisations under the conbe followed closely and prevented from becoming economic forces"

Iran in spite of military

accusations that Teheran

Competition over policy

(PKK) guerrillas.

signed last year.

small Islamic engineering, should be considered a nest service and contracting con- of fundamentalism. He says cerns have won city business the group "has no political that once went the way of connotation, no cultural connotation. This is business. You have to work with the rules of the society you live ness association founded in in. The owners of Ihlas are plus in the eyes of the Turk-

Mr Vedat Akgiray, a USbased in the Anatolian trained consultant at Ihlas. heartland, operating in low says: "When people say a company is Islamic, all they tors such as textiles, con- mean is that the owner is a practicing Moslem. But business is business. You still have to sell, package, market and produce.

Ihlas is well regarded by nated National Security financial analysts and is growing fast, although no faster than many conventional companies. The company reported revenues up 51 per in dollar terms in 1996 trol of religious sects should to \$714.6m, and net income up by one-third to \$13.3m. Yet bankers report that Thias has managed to sew up Mr Ayban Apak, a director business deals more easily

wants good relations with ters to glacial receptions in EU to "embed" Ankara in exports "Algeria-type terror European institutions. Turkey imports most of its

to Turkey" and supports Kurdistan Workers' party natural gas from Russia, a regional rival. However, Although Turkey expelled domestic turmoil has underthe Iranian ambassador mined attempts to increase for making a speech in Feb-Turkey's influence in the oilrich Caucasus and central an Islamic republic in Tur-Asia. A consortium of interkey, it is going ahead with a national oil companies. gas pipeline to import \$23bn including Turkey's TPAO, of natural gas under an agreement Mr Erbakan must soon decide where to lay strategic oil pipelines linking Caspian Sea oilfields to western markets.

This has angered Washington, which is expected to Turkey wants the princiblock international financpal pipeline to cross its terriing for the pipeline. The US tory, expecting it to yield also worries that an increasrich contracts for Turkish ingly volatile Turkey could construction companies, increase the region's insta- transit fees for the treasury. Energy is an important bility. Mrs Madeleine and political influence Albright, US secretary of throughout the region. Howstate, has said "we feel it ever, the Turkish route is vital that Turkey remain a only one of seven under con-Turkey imports much of its secular state". While the US sideration by the consortium energy, so the government has treated Welfare minis- developing the reserves.

taken a leading role in the privatisation of the state electricity distribution system with access to cheap financing from Islamic banks.

However, an incentive the government to set up a good Moslems, and this is a car factory with South Korea's Kia group unravelled because of strong opposition from the European Union. Brussels argued that the incentives violated Turkey's customs union with the EU.

Yet Ihlas has always tried to stay on the right side of conventional the government of the day, whatever its ideology. Mr Apak says the policy of Türkiye, an Ihlas-owned newspaper, is to print only good news and avoid criticising the government.

Few groups have risen faster than Kombassan Holding, based in the city of Konya, a Welfare bastion. It was only founded in 1995 but grew rapidly into a conglomerate based on food, construction, light industry and textiles. It has attracted the attentions of the regulators at Ankara's Capital Markets Board, which investigated Kombassan for suspected accounting irregularities.

While some observers say its acquisition in March of Petlas, a state-owned tyre company for \$35.7m, was politically-driven, the deal may backfire. Successive governments have privatised Petlas, only to take it back when the company's new owners failed to pay.

Islamic finance is still a niche market. Bankers estimate that interest-free finance houses hold no more than 3 to 5 per cent of the financial system's assets. Although business is growing, they are probably expanding no faster than conventional banks.

Al Baraka Türk, founded in 1985 after the government lifted restrictions on Islamic finance, is Turkey's biggest non-interest bank. It is owned by Turkish and Gulf investors led by the Saudi Al Baraka banking group. It posted a 19 per cent growth in assets last year to

Companies can either lease equipment or borrow money, paying a large fee to allow for inflation and a margin for Al Baraka. Fees vary between 9 and 13 per package it negotiated with cent depending on the client and the deal Al Baraka is backing. Depositors share in the profits and losses of these operations through "participation accounts".

Al Baraka places no funds in interest-bearing instruments, such as high-yielding government securities that became the road to riches for Although this has led to lower returns for their clients, there is still a steady supply of investors motivated more by religious concerns than financial goals.

There are more than half a dozen interest-free finance houses offering a growing range of services. Even some big banks take the Islamic market seriously. Garanti Bankasi, one of Turkey's top five banks, offers interestfree banking to clients provided they also keep large balances that earn no inter-

Yet international bankers are wary of supporting ing their loans in western financial markets is more difficult than for conventional companies. Furthermore, these companies could suffer if they lost their political connections. A consultant says many of them also ignorant of modern technology, and rely on captive markets of the devout or the poor who are unable to afford better quality prod-

probably conclude that Islamic businesses have many of the strengths and weaknesses of conventional Turkish companies. The more successful Islamic businesses tend to be flexible. tightly-controlled and highly diversified, with fat margins. Yet they are still reliant on political favours, lack focus, and are controlled by ageing founders rather than profes-



HUMAN RIGHTS • by John Barham

Campaigners say reforms are inadequate and enforcement

Serious human rights violations continue in Turkey, in spite of heavy foreign pressure - particularly from the European Union to halt abuses. The Turkish **Human Rights Association's** (IHD) statistics show some improvement, but violations are still common.

The government says it deplores violations as much as local and foreign campaigners. Mrs Tansu Ciller, deputy prime minister and foreign minister, said in March: "From now on there will not be any missing persons in this country. This terminology will be out of date in Turkey. Our struggle against terrorism will continne with determination, but in full conformity with human rights."

However, between January and March this year the IHD reported 32 cases of death from torture or while victims were in police custody. It counted 24 cases of "unknown killings", assassinations of opposition figures which rights groups believe are carried out on behalf of the security services. In March, there were 164 politi-

cal prisoners in jail. Women's groups have held weekly street protests in Istanbul for over two

years, demanding informa-

Watch says torture, espemethodically incorporated a party congress last year. torture and abuse into its daily operations utilising special equipment".

In 1995, Ankara amended the constitution and antiterrorist legislation used to silence discussion of the Knrdish question. This year the government cut incomto between seven and 10

However, human rights campaigners say the reforms are inadequate and that enforcement is weak against abuses by the security forces. General Cevik Bir, deputy chief of staff, said human rights "should not be abused for political purposes, to polarise society or dismember the country". Violations are particularly severe in the south-east of the country, where the army is fighting a 12-year war against guerrillas of the separatist Kurdistan Werkers'

party (PKK). Turkey has more than 150 laws and regulations con-cerning freedom of expression. They are frequently used against Kurds and left-wing activists. It is an oftence to insult the military or Kemal Atatürk, founder of the modern Turkish state. It is illegal to provoke ethnic, regional or relition about relatives they say, gious hatred. Calling for the

were abducted by the secu- division of Turkey is a territy forces. Torture remains rorist offence. A state secucommon. Human Rights rity court prosecutor has even demanded the death cially by anti-terror police penalty for two Kurds who units, "is neither spontane- cut down the Turkish flag ous nor rogue. This unit has and hoisted the PKK flag at

The government has mounted a legal war of attrition against human rights demanded the closure of medical treatment centres. for torture victims. Now it is trying to starve the IHD of funds, including EU grants. municado detention periods. It recently asked an Ankara court to close down the association altogether.

Western governments value Turkey's strategic importance and want it to remain integrated in westbecause courts do not act ern institutions. Yet politicians are also under pres-sure from public opinion for a more aggressive stance towards Turkey.

The US Congress has imposed a de facto arms embargo on Turkey, primarily in protest at human riolations. However, Mr Nicholas Burns. State Department spokesman, said: "Turkey should be more fully integrated into Europe despite the fact that there are problems on human rights."

The European Parliament has suspended aid except to organisations promoting human rights and democracy. EU member-governments say resolution of the Kurdish issue and full respect for human rights are basic criteria for accession

ax indices

EUS OFFERS

ETURN

Citibank: Leading International Bank in TURKEY



Uni-Mar 480 MW B-O-T Power Project

U.S. \$580,205,000 Senior Credit Facilities

The Export-Import Bank of Japan al Trade and Industry of Japan Office National du Ducroire Hermes Kreditversicherungs-Aktiengesellschaft

Marubeni UNIT INTERNATIONAL S.A.

P

National Power Co-Arranged by: Citibank, N.A.

Intercreditor Agent: Citibank, N.A.

November 1996

CITIBAN(©

Doğa Enerji Üretim Sanavi ve U.S. \$182,400,000

Term loan facilities to finance a 180MW cogeneration power plant in Turkey

Sponsors: MEC Escayart B.V. Doğa Knerjî Yatirim İsletme

Financial Advisor:

Arranger:

U.S. \$95,000,000 facility guaranteed by ded through Citicorp Securities, New York U.S. \$35,800,800 facility insured by NCM

U.S. \$6,800,000 Com

April 1997

CITIBANK®



Republic of Turkey U.S. \$108,518,740

Term Loan Financing: Gerede-Ankara Motorway Construction Project

U.S. \$47,518,740

Arranged by: Citibank N.A.

March 1996

Agent: nk N.A., Tokyo Branch

CITIBAN(O



Republic of Turkey through Undersecretariat of Treasury

U.S. \$50,000,000 **Motorway Financing Facility**

> Euroloan Tranche USD 25,000,000 Co-Arranged by:

Islamic Tranche USD 25,000,000 Istisna'a Finance Facility

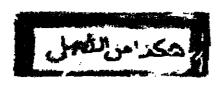
Co-Arranged by:

December 1996

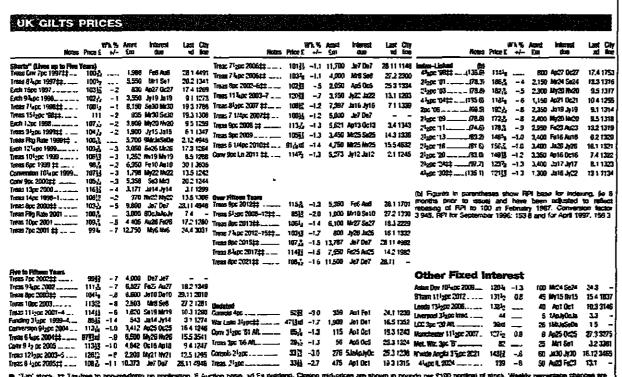
CITIBAN(©

Citibank's reputation as one of the most global institutions in project finance.

CITIBAN(



Citibank has been active in the Republic of Turkey for over 20 years and has built strong relationships with its Government entities and financial institutions. The Republic of Turkey is just one of 51 countries in which Citibank, in 1996, acted as financial advisor, arranger of bank financing or lead manager of bond issues for projects. This confirms



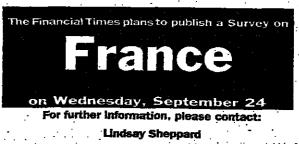


MUTRPACE Tet 0171 702 1991 Fax: 0171 480 6115 → Real-time quotes 🔷 Forex data Signal Over 180,000 issues → News headlines

 U.S. & int'l data → As low as \$9/day! For lafe call 44+171 625 6101 ext. 3a

SPREAD BETTING ON OVER EIGHTY MARKETS We are expected in any-first function and composition spread betting "House T. More + 9.15 year. We see able 40 three amounts which there when Ourse prises Changed 4 Toleranching 1607. For bestehers and applications form cell (STI 163 1647. "Subject to parkets.

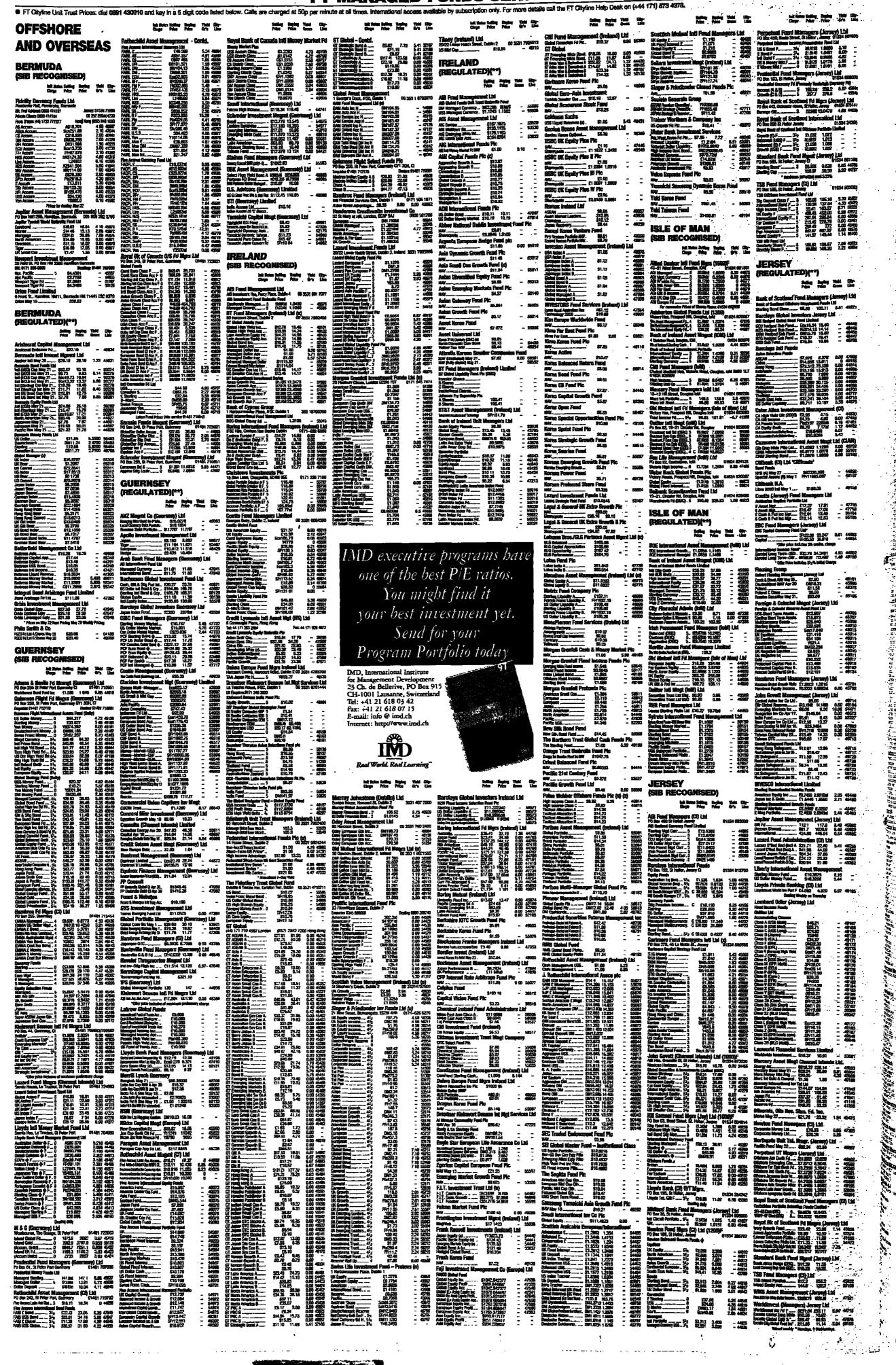
If you would like to advertise, or require any further information, please contact: Jeremy Nelson Tel: 0171-873-3447 Fax: 0171-873-3052



Tel: +44 171 873 3225 Fax: +44 171 873 3204 or Paul Maraviglia Tel: +33 1 53 76 82 51 Fax: +33 1 53 76 82 53

or your usual Financial Times representative

FT Surveys





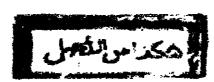
. . . ---

のでは、「「「「「」」」というでは、「」」というでは、「」」というでは、「」」というでは、「」」というでは、「」」というでは、「」」というでは、「」」というでは、「」」というでは、「」」というでは、「」」というでは、「」 「「」」というでは、「」

確しこう。

A REAL PROPERTY AND A STATE OF THE PARTY AND A

105



ATSP.Management Ltd

ATS* Management Ltd

ATS* Management

ATS* Asset Mesogement

ATS* Asset Mesogement

ATS* Entry Arthur

ATS* Entry Arthur

ATS* Entry Arthur

ATS* Entry Arthur

ATS* Entry Arthur

ATS* Entry Arthur

ATS* Entry Arthur

ATS* Entry Arthur

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

ATS* Entry

Ability Fand Limited

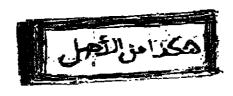
Ability Fand Limited

Fixed Income USC Class Stock 6: 101458

Fixed Income DM Class Stock 5: 100438

USA Equity USD Class Stock 7: 100437

USA Equity USD Class Stock 7: 100437



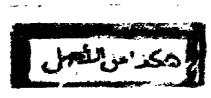
`	FINANCIAL TIMES MONDAY MAY 26 1997	*				3
	Highs & Lows shown on a 52 week basis	WORLE	STOCK MARKETS			
	Caption 342.50 45.0 387 74.0 4.0 7 7 4 5.0 8 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	## Laws Yad Py6 ## 13 24.8 866 ## 25 0046 11 32.8 866 ## 25 0046 13 32.8 866 ## 25 0046 13 32.8 866 ## 25 0046 13 32.8 866 ## 25 0046 13 32.8 866 ## 25 0046 13 32.8 866 ## 25 0046 13 32.8 866 ## 25 0046 13 32.8 866 ## 25 0046 13 32.9 848 ## 25 0046 13 32.9 84	### ### ### ### ### ### ### ### ### ##	Tell PfE	+/- High Low 150 PM Sales 2.60 +1.5 2.70 2.10 0.1 - 237888 Broad A 1.52 2.70 2.10 0.1 - 237888 Broad A 1.52 2.70 2.10 0.1 - 237888 Broad A 1.52 3.50 2.51 1.8.5 - 11811 Broad B 1.52 3.50 2.51 1.8.5 - 11811 Broad B 1.52 4.52 1.52 1.50 1.52 1.52 1.52 1.52 1.52 1.52 1.52 1.52	10 10 10 10 10 10 10 10
	Highs & Lows shown on a 52 week basis -/- Nap Lee TH PE EUROPE Assista (Amy 23/8ch)	22 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Age September	THE PTE	250 + 15 270 270 210 01 250 35134 8 morths 150 10 10 10 10 10 10 10 10 10 10 10 10 10	现现在对现代是不是对现代的现代的最后,可以是是不是不是是一个人,但是一个人,也是一个人,也是一个人,也是是一个人,我们也是是是是一个人,我们是是一个人,我们是是一个人,我们是是一个人,我们是是一个人,我们是是一个人,我们是是一个人,我们是是一个人,我们是是一个人,我们是是一个人,我们是是一个人,我们是是一个人,我们们也是一个人,我们们也是一个人,我们们们也是一个人,我们们们是一个人,我们们们们们们们们们们们们们们们们们们们们们们们们们们们们们们们们们们们们
- - - -	Calder 3.000 +68 4520 3.400 1.3 28.3 \$400g 453 -8 485 31850 4.0	1.252 2.4 2.52 Stephy 2.55 - 2.50 247 176 22.5 Expense 2.52 - 2.50 247 176 22.5 Expense 2.52 - 2.50 247 176 22.5 Expense 2.52 - 2.50 247 177 22.5 Expense 2.52 - 2.50 247 177 22.5 Expense 2.52 2.52 2.5 Expense 2.52 2.52 2.5 Expense 2.52 2.52 2.52 2.52 2.52 2.52 2.52 2.5	ABB Br 2.010 -2.2025 1.402 1.9 23.5 bushy 1.55bat 572 - 640 290 - 180 1.455 1.3 ABB Br 2.010 -2.2025 1.402 1.9 23.5 bushy 1.55bat 572 1.6 1.55bat 573 1.6 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	4 68.6 Davida 2,550m — 2,501 1,700 06 58.5 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 15,6 0 28.1 Sometile 14,6 0 28.1 Sometile 15,6 0 28.1 Sometile 14,6 0 28.1 Sometile 14,6 0 28.1 Sometile 15,6 0 28.1 Sometile	0 +30 2420 14.15 2.1 16.1 126081 Macketz	######################################
	BESMARK (May 23 / Mr) Social 2,49 + 15 1770 1,91 03 23.8 Social 2,49 + 15 1770 1,91 03 23.8 Social 2,49 + 15 1770 1,91 03 23.8 Social 2,49 + 15 1770 1,91 03 23.8 Social 2,49 + 15 1770 1,91 03 23.8 Social 2,49 + 15 1770 1,91 03 23.8 Social 2,49 + 15 1770 1,91 10 2,20 Social 1,92 1,92 1,93 1,92 1,93 1,93 1,93 1,93 1,93 1,93 1,93 1,93	II - a world leader in trial automation, ductor systems and & communication.	1,000 1,00	STA Select 1.200m -100 6.300 3.200 0.37	77206 September 1 77206 September 2 77206 September 3 77206 Septem	ing spiritual sp
A	Saping 881	Liev Thi Pit	Turker 222 41 277 185 -1 185	Santife 1,850e + 20 1,887 1,420 18 48 AMBRING 15.70 7.1 Samely 4388 + 46 1,710 1,120 18 48 AMBRING 15.70 7.1 Samely 4388 + 46 1,710 1,120 18 48 AMBRING 15.70 7.1 Samely 4388 + 46 1,710 1,120 18 48 AMBRING 15.70 7.1 Samely 4388 + 46 48 28 0.7 420 Ambrid 13.40 7.1 Samely 4388 + 47 2.30 2.00 1.06 50 0.00 7.1 Samely 1,710 19 48 1.00 7.1 Samely 1,710 19 48 1.00 7.1 Samely 1,710 19 49 65 72 11.2 Samely 1,710 19 19 19 19 19 19 19 19 19 19 19 19 19	1 -10 20.20 13 R0 0.8 10.6 R006 PUSES PUSES	# 124. # 144. # 14
	Astur A 98,50 -13.0 796 03.40 20 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -14.0 756 125 225 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125 Dental S. 202 -15.0 756 125	Cristi 11,900 +700 (280) 7,410 13			+05 4.20 2.46 5.5 10.2 MONTREAL (May 23 / 0 + 10 15.50 10.20 8.8 18.7 + pm close + 20 15.10 10.20 2.5 16.9 + 20 15.50 10	**************************************
-	AGE 194.50 +50 234.0123.02 25 17.3 PMA 31000 -11 2021429 23 14.5 PG 55.20 +20 05.40 4.00 45.4 Across 65 +12 912 565 52.20 27.00 +40 22.00 655 0.1 96 45 4.4 947 75.2 14.0 +20 2.00 655 0.1 96 75 97.5 23.9 PMA 3100 -40 75.0 23.0 65 0.1 96 75 97.5 23.9 PMA 3100 -40 75.0 23.0 15.0 14.0 PMA 3100 -40 75.0 23.0 15.0 14.0 PMA 3100 -40 75.0 23.0 15.0 14.0 PMA 3100 -40 75.0 23.0 15.0 14.0 PMA 3100 -40 75.0 23.0 15.0 14.0 PMA 3100 -40 75.0 23.0 15.0 14.0 PMA 3100 -40 75.0 15.0 PMA 3100 -40 75.0 15.0 PMA 3100 -40 75.0 15.0 PMA 3100 -40 75.0 15.0 PMA 3100 -40 75.0 15.0 PMA 3100 -40 75.0 15.0 PMA 3100 -40 75.0 15.0 PMA 3100 -40 75.0 15.0 PMA 3100 -40 75.0 15.0 PMA 3100 -40 75.0 PMA 31	00 — 5.8 55004 5.550 4025 4025 202 22 24 105 105 17 15.5 27 22 24 105 105 17 15.5 27 22 25 10.2 10.5 24 10.7 10.5 24 10.5 24 10.5 24 10.5 24 10.5 24 10.5 25 17 15.5 24 10.5 25 10.5 2	Common C	ANSTRALIA (May 23 / Aust\$) AUSTRALIA (May 23 / Aust\$) LOSE 1 15 0 15 0 15 0 15 0 15 0 15 0 15 0 1	+,10 20 10 15 50 0 9 19 9 ABSA 29 75 -25 3	High Low Yat PA. 39 75 18.80 2.21 16.7 8.2 8.2 16.6 9.1 16.8 16.8 16.8 16.8 16.8 16.8 16.8 16
	Austria Code Addro(301/2804 #27.74 #27.83 #29.25 #29.25 21/5 374.40 91 PC)Por 1978 #4 20.00 Addro(301/2804 #27.74 #27.83 #29.25 #29.27 22/5 1130.22 91 Natherland (25 Tylanderland 33) 943.7 Belgium BE 20(1/1/91) 2567.78 2245.54 2247.85 2257.78 22/5 1871.05 21 CS All Singled 83) 943.7 Connects Beard Buttley (1975) 875.24 545.00 10715.0 10715.0 10704.08 22/5 0.00 22/4 Norw Zeeland Norw Zeeland Norw Zeeland Norw Zeeland Norw Zeeland Norw Zeeland (25 Tylanderland 33) 943.7 Connects Buttley (1975) 875.24 545.00 545.0 10715.0 10704.08 22/5 0.00 22/4 Norw Zeeland Norw Zeeland Norw Zeeland (25 Tylanderland 33) 943.7 Connects Buttley (1975) 875.24 545.0 54	3999.52 3974.42 3009.52 225 3399.46 271 U 939.5 941.0 943.76 225 739.80 271 U 939.5 941.0 943.76 225 739.80 271 U 939.5 941.0 943.76 235 739.80 271 U 939.5 941.0 943.76 235 739.80 271 U 939.5 944.2 544.2 120/1 2207.48 1/4 S 939.5 1933.54 1957.85 235 1638.03 271 U 939.5 1933.54 1957.85 235 1638.03 271 U 939.5 1933.54 1957.86 235 1638.03 271 U 939.5 1933.54 1957.86 235 1638.03 271 U 939.5 1933.54 1939.86 155 2465.57 271 U 939.5 193.5 193.6 155 2465.57 271 U 939.5 193.6 19	Temport 2683.37 2560.89 2662.54 2383.37 222.07 2883.37 13.23 222.07 2883.37 13.23 223.07 2383.37 13.23 2383.37 238	Briefil 1.20 1.20 1.00 7.5 1.20 7.5 1.20	7	1 20 1 20 1 20 1 20 1 20 1 20 1 20 1 20
	Commission	2870.2 2872.8 2808.90 225 2870.50 27 S 5175.4 5178.6 6181.00 235 3822.50 77 S 5255.8 2883.5 3272.65 235 2506.22 67 E 1550.66 6022.09 8081.72 254 6844.75 67 F1 501.39 525.19 488.87 227 357.17 155 W 1471.0 1509.0 1654.00 21/3 998.00 27 P1 1471.0 1509.0 1654.00 21/3 998.00 27 P1 1488.8 902.0 902.00 235 794.50 14/4 C2 2882.29 2864.39 2808.29 225 1883.80 27 W 1488.8 405.45 428.46 2071 381.54 294 P1 1488.8 405.45 428.46 2071 381.54 294 P1 1488.8 405.45 428.46 2071 381.54 294 P1 1488.8 405.45 428.46 2071 381.54 294 P1 1488.8 405.45 428.46 2071 381.54 294 P1 1488.8 405.45 428.46 2071 381.54 294 P1 1488.8 405.45 428.46 2071 381.54 294 P1 1488.8 405.45 428.46 2071 381.54 294 P1	May 16	Property 2-74 2-7	*/- Highs Low 25 192; 142 27 1134; 27 1	150 48 19 17.4 148 260 55 17.4 175 31 50 31 14.2 203 100.25 31 14.2 203 100.25 32 150 18 120 22 19.5 de Historication of Factorication of Security in traded to the Thermody at traded to the Thermody at traded to the Thermody at traded to the Thermody at
771.4	Cac-40 (200 x indext) High Low Est. vol.Open Int. OpenSettPrice	Change High Low Est. vol.Open Int. Se +24.00 2270.00 2247.25 4.193 6,068 4 +42.00 2297.00 2256.25 6,098 21,949 Ju -18,4 5182.5 5154.0 2,782 22,595 Op +63.6 5164.0 5184.0 7 1,480	p 851.60 856.35 +7.60 861.00 850.40 2.529 12,909 Open Sett price Change High Low Ett. vol.Open Int. 188.dog 225 19950.0 20080.0 +180.0 20140.0 19870.0 15.418 232,287 p 19890.0 20050.0 +120.0 20140.0 19870.0 363 75,826 an interest figures for previous day.	Dentes 280 + .03 285 1.78 48 11.6 1 40005 Braid	3, 1997 Stocks Clock Traded Prior NKK Corp	countries frig 0181 o 188 779 862 0770 or for year ing Change case on day 952 120 +80 956 957 +52

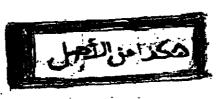
4 pm close May 23	NE	W YORK STOCK
1989 YM, NY Sin Chings Person. MgA Low Shack Div % II 1805 High Liver Goods Chate	1967 146. N St. Comm Prot. 1898 Low State 1 50 14 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16	1997 Thi. 17 Sa Chan Phic. Chan Phic. San Shark State Chan Phic. San Shark State Chan Phic. San Shark State Chan Phic. San Shark State Chan Shark State Chan San Shark State Chan San Shark State Chan San Shark State Chan San Shark State Chan San Shark State Chan San Shark State Chan San Shark S
32 24 ¹ 4 AMR X	34 28 BenSt 2 0.60 1.9 7 294 224 224 225 354 274 284 284 285 277 Bentings 2 0.44 22 16 39 373 375 375 375 375 44 474 37 Bentings 2 0.44 22 16 39 373 375 375 375 44 674 675 675 675 675 675 675 675 675 675 675	311-32-3-Country Cr 0.32 1.2 11 2000 271-285-5 271-4-1-2 321-291-1 Country Cr 1.24 4.5 18 4.5 271-2 27
4812 2475 Adminst Gro 0.03 0.2 12 500 4174, 4174, 4174 1154 1157 1154 Adminst Gro 0.03 0.2 12 500 4174; 1554 17 +176 1457 1154 Adminst 15 525 14 1375 14 1754 Adminst 77 374 314 3754 +12 514 314 Adminst 77 374 314 3754 +12 514 314 Adminst 1.05 0.1 15 12 226 425 425 425 425 425 425 425 425 425 425	27\\(^1_2\) 25\\(^1_2\) Beth Si 2.1 2.50 9.4 30 25\(^1_2\) 25\\(^1_2\) 25\\(^1_2\) Beth Si 2.1 2.50 9.8 35 51\(^1_2\) 51\(^1_2\) 10\(^1_2\) 37\(^1_2\) 38\text{MS}2 35 51\(^1_2\) 51\(^1_2\) 10\(^1_2\) 37\(^1_2\) 38\text{MS}2 35 51\(^1_2\) 51\(^1_2\) 51\(^1_2\) 10\(^1_2\) 37\(^1_2\) 38\text{MS}2 35 35\(^1_2\) 62\(^1_2\) 63\(^1_2\)	26½ 21½ Cyphen: D.EO 3.3 43 1512 24½ 24 24½ 4½ 4½ 4½ 4½ 4½ 431½ Cybeck 18 947 38½ 38½ 38½ 38¼ 4½ 18 947 38½ 38½ 38¼ 4½ 25½ DPL Hole x 1.36 5.7 13 420 23¾ 23¾ 23¾ 3½ 4½ 4½ 40½ 22½ Debas Sero x 0.14 0.4 25 1473 38½ 38 38½ 35 4½ 35 4½ 50 38 Dessaher Co 0.10 0.2 22 334 48½ 48 48½ 4½ 15½ 11½ Dechniệ 0.18 1.4 259 13¾ 12½ 13½ 0.26 13½ 12½ 1½ 21½ 21½ 21½ 21½ 21½ 21½ 21½ 21½
384, 224, Actione Nt. 0.30 0.8 19 1055 365, 2576, 3594, 4-14 2012 1892 things nt. 1575, 1054 finance 243 218, 6 1111 1114, 11 1114, 243 244, 244, 2451, 446, 2451,	33½ 28 Book	14
27 2543 274 274 274 114 275 284 274 274 274 114 275 284 274 284 275 285 285 285 285 285 285 285 285 285 28	Sche 42's bright 1.12 22 17 187 51's 51's 51's 13's	321-2 251-2 Chan Profit 0.48 1.8 19 238 251-8 221 221-8 1.2
74 54 America	25½ 25½ bodespect 11 197 31½ 31½ 31½ 3½ 4½ 4½ 40½ bodespect 230 70 10 41 43½ 42½ 43½ 42½ 4½ 19½ 15½ 1½ 1½ 15½ 1½ 13½ 15½ 1½ 15½ 1½ 15½ 1½ 15½ 1½ 15½ 1½ 15½ 1½ 15½ 1½ 15½ 1½ 15½ 1½ 15½ 1½ 15½ 1½ 15½ 1½ 15½ 15	144, 84 Drace 16 288 11 10½ 10% +½ 30½ +½ 30½ +½ 30½ +½ 30½ +½ 100% 100% 100% 100% 100% 100% 100% 100
484, 385, Annibur 59.5 1.25 2.22 2.24 1.84, Annibur 59.5 1.25 2.2 2.2 2.2 2.2 2.2 2.2 2.2 2.2 2.2	863 41 CTS Corp 0.72 1.1 14 92 u674 8634 6654 +12 5552 2233 Cabinestime 0.52 21 is 1888 942 4014 2559 2414 -13 40 2752 Cabine 0.40 1.5 11 665 2554 255 2414 -13 1953 1534 Cabine 0.40 1.5 11 665 2554 25 2554 +14 1953 1534 Cabine 0.40 1.5 11 665 2554 25 2554 +14 1953 1534 Cabine 0.40 1.5 11 165 2554 25 2554 +14 1953 1534 Cabine 0.40 1.5 11 11 11 15 13 15 15 1534 1656 Cabine 0.40 1.2 10 18 25 25 15 1534 1656 Cabine 0.40 1.2 10 18 25 25 25 25 1954 17 Cabine 0.40 1.2 10 18 25 25 25 25 1954 17 Cabine 0.40 1.2 10 18 25 25 25 25 1954 17 Cabine 0.40 1.2 10 18 25 25 25 25 25 25 1954 17 Cabine 0.40 1.2 10 18 25 25 25 25 25 25 1954 17 Cabine 0.40 1.2 10 18 25 25 25 25 25 25 1954 17 Cabine 0.40 1.2 10 18 25 25 25 25 25 25 1954 17 Cabine 0.40 1.2 10 18 25 25 25 25 25 25 1954 17 Cabine 0.40 1.2 10 18 25 25 25 25 25 25 25 1954 17 Cabine 0.40 1.2 10 18 25 25 25 25 25 25 25 2	55% 25% Dynamics 0.20 0.4 19 101 458% 55% 55% 4% 55% 4% 55% 4% 55% 4% 55% 4% 55% 4% 55% 55
45½ 40 Anihari x 0.98 22 19 6556 43½ 42½ 42¾ 4½ 4½ 4½ 4½ 4½ 4½ 45½ 40½ 400 40 10.04 22 37 551 47½ 47½ 47½ 47½ 4½ 45½ 4½ 45½ 40½ 40½ 40½ 40½ 40½ 40½ 40½ 40½ 40½ 40	27g 25g Carghes 0.22 1.2 33 1811 357g 25%g 28%g 4%g 44%g 31%g Carghest 0.32 1.0 1313265 32%g 31%g 32%g 41%g 18%g 44%g 31%g 32%g 41%g 1.25 7.4 141 17 15%g 17 25%g 19%g Carghest 100 0.2 475514 58%g 57%g 42 53%g 57%g 57%g 19%g 28%g 57%g 19%g 28%g 57%g 57%g 57%g 57%g 57%g 57%g 57%g 57	### ### ### ### ### ### ### ### ### ##
134 174 Ashmisor 0.32 2.3 2.0 1334 1344 1345 1345 1345 1346 1356 1356 1346 1366 137 18 20 234 2356 2356 2356 1466 1366 137 18 20 234 2356 2356 1466 1366	41½ 27½ CO Corp 42½ 35½ Cottor Febr 255 59 13 83 42½ 42 42½ 4½ 42 11½ 11½ 15½ Contex Febr 255 59 13 83 42½ 42 42 42½ 4½ 4½ 11½ 15½ Contex 1450 212 85 10 10 32½ 31½ 31½ 32½ 4½ 42 11½ 10 32 52½ 25½ 42 42 11½ 10 32 52½ 25½ 42 11½ 10 32 52½ 25½ 4½ 11½ 10 10 32 11½ 11½ 11½ 4½ 13½ 10½ Contr Heim 1930 80 9 37 11½ 11½ 11½ 11½ 4½ 13½ 10½ Contr Heim 1930 80 9 37 11½ 11½ 11½ 11½ 4½ 13½ 25½ 25½ 4½ 12 11½ 10 10 10 32 52 25 25½ 4½ 12 12 25½ 25½ Contex 11 11½ Contr Heim 1931 11½ 25½ 25½ 25½ 4½ 12 11½ Contr Heim 1931 11½ 25½ 25½ 25½ 4½ 12 11½ Contex 11½ 11½ Contex 11 12 12 Contex 11 11½ Contex 11 12 12 Contex 11 11½ Contex 11 12 12 Contex 11 11½ Contex	13; 13; 15; 15; 15; 15; 15; 15; 15; 15; 15; 15
57 57 58 600 7 1 125 21 25 271 61 5 39 2 67 4 + 1 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	37 31 Chemini 2.08 5.7 12 240 367 357 357 47 127 37 47 17 17 17 17 17 17 1	10½ 8½ 854 104 0.50 5.3 11 1805 9½ 9½ 9½ 9½ 9½ 19 17½ 14¼ 624600 1.12 7.3 22 15½ 15½ 15½ 15½ 14 45½ 85½ 85½ 128 1.28 3.0 9 319 42½ 42½ 42½ 42½ 60½ 48½ 8000 1.16 42 194834 60 58½ 60 1½ 12 11½ 9½ 14½ 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15
274 175 BEIGHA DES D.3 19 781 185 195 195 195 195 195 195 195 195 195 19	67 22 Chro Bell 0.00 1.4 18 485 544 561 57% 11 2 23% 17% 0.086 1.6 13 22 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 23% 23% 33% 33% 34%	11½ 7½ Fazah nc 15 749 9 8% 8% 33 32 33 +1½ 32½ 25½ Fazah nc 0.40 1.2 19 3868 33 32 33 +1½ 32½ 25½ Fazah nc 0.40 1.2 19 3868 33 32 33 +1½ 32½ 25½ Fazah nc 0.8 1.3 10 490 6½ 6% 6% 6% 6% 6% 6% 6% 6% 6% 6% 6% 6% 6%
95\(\frac{7}{4}\) T4 (britts) 4.00 4.9 11 4.315 82\(\frac{1}{6}\) 81\(\frac{1}{6}\) 82\(\frac{1}{6}\) +1 84 83\(\frac{1}{6}\) 82\(\frac{1}{6}\) 82 12 2.5 15 11 81 80 87 +2\(\frac{1}{6}\) 83\(\frac{1}{2}\) 25\(\frac{1}{6}\) 87 83 81\(\frac{1}{6}\) 81\(\frac{1}{6}\) 87 22\(\frac{1}{6}\) 19.90 Brows 80 00 05 22 18 738 31\(\frac{1}{6}\) 81\(\frac{1}{6}\) 87 27\(\frac{1}{6}\) 19.90 Brows 80 00 05 22 15 333 028 27\(\frac{1}{6}\) 27\(\frac{1}{6}\) 27\(\frac{1}{6}\) +2 17 27\(\frac{1}{6}\) 19.90 27\(\frac{1}{6}\) 27\(\frac{1}{6}\) 25\(\frac{1}{6}\) 21\(\frac{1}{6}\) 21\(\	9½ 1½ Generate 6 0.81 8.8 267 0.8½ 9 9½ 1½ 1½ 14½ 194 2½ 0.00 25 15 1.30 3.1 8 159 2½ 2½ 4½ 4½ 1½ 1½ 130 3.1 8 159 2½ 2½ 4½ 4½ 1½ 1½ 14½ 12½ 194 194 194 194 194 194 194 194 194 194	55½ 50½ F5M8D 1.50 2.7 12 5919 55½ 57½ 53% 1.½ 10½ 31½ F52 FM 0.00 0.2 28 8082 100½ 33½ 40½ 1½ 1½ 151½ F52 FM 0.21 1.3 155 15¼ 1.5 15¼ 1½ 1½ 155½ F52 F52 F52 F52 F52 F52 F52 F52 F52 F52
BE OUR GUEST.	\$\frac{90}{10\frac{1}{2}}\$ \$\frac{1}{2}\$ \$\f	75½ 66½ Flor 0.76 1.5 16 8138 82½ 51½ 5½ 4½ 172½ 59½ Flor 0.71 13 1549 69½ 69½ 69½ 69½ 69½ 79 13 1549 69½ 69½ 69½ 69½ 69½ 69½ 69½ 69½ 69½ 69
When you stay with us in BRUSSELS stay in touch - with your complimentary copy of the	20355500054 5972 1654 444 1844 174 20355500054 5972 1654 444 1844 174 20355500054 5972 1654 444 1844 174 203556 2035	33½ 25½ FRIECISA 0.90 3.1 28 2097 29 28½ 29 4½ 31½ 26½ FRIECISA 0.90 3.0 3.0 3.8 833 30½ 30½ 30½ 2½ 30½ 25½ 30½ 500 18 9 9 527 635½ 23½ 33½ +1 23½ 15½ FRIECIS 0.97 5.1 20 2821 17½ 16½ 17 4½ 44½ 25½ FRIECISON 17 3859 25½ 30 35½ 12 12 12 185½ FRIECISON 0.80 40 100 99½ 38½ 1½ 1½ 1½ 15½ 16½ 12 12 15 15½ FRIECISON 0.80 40 100 99½ 38½ 1½ 22 15½ FRIECISON 0.80 40 100 99½ 38½ 1½ 1½ 25 15½ FRIECISON 0.80 40 100 99½ 38½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½
FINANCIAL TIMES	72½ 85 Core Ed Pl 5.00 7.3 6 6 88½ 88½ 88½ 4.½ 57½ 77½ Coretes 194 3.7 16 704 82½ 51½ 82½ 4.½ 57½ 77½ Coretes 1.98 3.0 16 142 55½ 54½ 55½ 4.½ 4.½ 57½ 57½ 55½ 4.½ 4.½ 50½ 545 54½ 55½ 55½ 4.½ 4.½ 50½ 545 54½ 55½ 55½ 4.½ 4.½ 50½ 525 55½ 5.½ 4.½ 65½ 55½ 55½ 5.½ 4.% 50½ 50½ 50½ 50½ 50½ 50½ 50½ 50½ 50½ 50½	184 32 12 1341 57 56 56 -1

<u></u>	EXCHANGE PRIC		
	Chiya 1967 Wal Ay Shr Choma Park Bada Law Shark Dar % E 1986 Righ Law Gawh Chons	Cirys Cirys Tal. Pf 3b Circle Post. 1887 Tal. Pf 3b Circle Post. 1887 Tal. Pf 3b Circle Post.	
12 +13 22 +4	20 17% Group x 0.60 3.1 10 3635 19 ¹ 2 19 19 ¹ 2 + ¹ 4 22 ¹ 2 20 ¹ 2 Grétay 0.20 0.5 61 a22 ¹ 2 22 ¹ 4 22 ¹ 2 + ¹ 4	75 55½ Karlic 1.80 2.8 13 1398 64% 64 64% +79 56% 67% KeyOp 1.88 3.1 15 2702 544 53% 540 +15	
18 +5 18 +15 18 -12	74 634g GanDyn 1.64 2.3 16 892 734, 725g 725g +5g 634g 475g GanBac 1.04 1.7 2742203 62 604 615g +5g 44- 25 Gan Back 406 34g 3 34g	32 17 Keysin ke 0.74 2.3 2511470 51 5 30 5 31 2 + 4 55 46 7 Reskit 0.95 1.7 21 5611 185 5 55 554 + 23	١
હેં +હેં લું માન11ય	10% 8½ 6m House 0.32 3.4 122 8½ 8½ 9½ +½ 654 57½ 64½ 52½ 64½ +½ 63½ 57½ 64½ 57½ 64½ 57½ 56½ 57½ 56½ 57½ 56½ 57½ 56½ 57½ 56½ 57½ 57½ 57½ 57½ 57½ 57½ 57½ 57½ 57½ 57	194, 164, 164, 164, 164, 164, 164, 164, 16	
μ ₂ μ ₄ -1 ₈	647 49 Generi 1,00 1.8 20 1312 5612 5512 5512 -16 1774 161 Gente 220 1.3 15 2616 17412 17212 17372 +134 4614 3614 Gentiq 1,02 2.4 15 1823 4212 42 4212 -18	13-3 13-4 Keffeld (1.8) 1.9 9 798 843-4 424, 433-4 434	
<u>12</u> +3; 14 14	534 534 Generalist 64 465 5312 5314 5314 4 255 274 General 3829 347 237 244 44 1512 512 686800 27 3838 6147 137 137 478	29 22 25 kings 18 4594 28 2 25 2 25 2 5 2 2 2 2 2 2 2 2 2 2 2	
23 + 1 ₂	3°5 2 George St 197 2 ¹ 2 2 ¹ 2 2 ¹ 2 2 ¹ 1 - ¹ 9 22 ¹ 4 11°2 George in: 14 282 18 ¹ 4 18 18 ¹ 4 + ¹ 4		
ել +1ել ել +5ել જ +&	25 23 Grain GT 0,52 1.2 14 473 27 12 27 27 12 +16 8412 71 Grain 2 200 23 38 38 38 38 48 7 8 42 8 54 +116	-L- 24 14 14 14 15 15 15 15 15	
եր 58 -չա -ել	18½ 13½ Genter Sci x 0.32 1.7 28 394 t/18½ 18 18½ +½ 14¼ 12½ Gentery Fe 0.47 3.3 186 t/14½ 14½ 14½ +½ 17¼ 11½ Genter D.12 0.7 20 18½ 18½ 18½	254 254 13 18 2 15 1181 234 234 234 234 234 234 234 234 234 234	
두 +1 15 +축 나 나 나	8 ² g 6 ¹ g 68m² (kp 2 2 5 6 ² g 6 ² g 6 ² g 15 ² g 15 ² g 15 ² g 10 68m² knús 120 14 10 145 14 ² g 14 14 ² g 1 ₂ g 16 10 50 8380 83 ² g 85 ² g 86 ² g 12 ² g	367, 251, La28oy x 0.84 2.5 13 160 331, 331, 331, 315 118 245, 201, Lacketic So 1.30 5.8 11 190 221, 215, 221, 15	
H +3	84, 64, SameGal 0.10 1.4 35 117 74 7 7 14 423, 235, SameGa 1.14 29 2012172 335, 334, 335, 44, 374, 314, Samega Co.; 0.50 1.4 9 52 354, 351, 351, 351, 47,	254 2056 Laterpax 2.40 15 17 57 275 47 47 58 69 67 144 75 75 75 76 76 80 67 144 75 75 75 75 75 75 75 75 75 75 75 75 75	
	22 ¹ 2 16 ¹ 6 600 1057 14 50 17 ² 6 17 ² 6 17 ² 7 4 1 25 ¹ 7 17 ² 7 5000 Mar 15 7643 22 ² 7 22 ² 7 22 ² 7 1 ² 8 76 50 ² 8 6000 1 0 44 0.5 10 359 67 ² 8 66 ² 8 67 ² 8 1 ² 8	397, 334, taer Corp 14 1043 374, 37 37 354, 214, Learnnet x 0.76 3.0 13 40 25% 25% 25% 25% 4%	
4444	431g 351g 60102: 1.10 2.6 20 765 411g 401g 411g +11g 571g 461g 60102: 1.12 20 74 2006 4571g 581g 571g +11g 61g 51g 60002: 37 34 51g 51g 51g +11g	517 374 Legy Meson 0.52 1.1 14 318 653 453; 463; 453; 453; 453; 453; 453; 453; 453; 45	
ሜ +ሜ 13 ሌ	38 30 ¹ 4 5 ² 0 1 200 6.0 11 1818 33 ¹ 2 33 ¹ 4 33 ¹ 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	274, 24 preser Gra 0.10 0.4 10 857 2712 2716 2718 - 16 41 ₂ 35 ₄ (Extense 53 106 33 ₄ 31 ₄ 31 ₄	
76 -16 1 48 +18	14 ¹ g 9 GrCannes 1329 13 ¹ g 13 ¹ g 13 ¹ g 14 ¹ g 39 ¹ g 29 6 Met 1.12 2.9 4082 39 38 ¹ g 38 ² g +1 ¹ g	125g 111g 18007 AS x 1.28 10.3 473 123g 123g 123g 123g 133g 130g 130g 130g 130g 130g 130g 13	
ار 8 - ار 8 - ار	32월 23일 1998년 0.40 1.4 14 960 27월 25일 27월 1월 55월 41일 121986 10 125 12 13 1886 48월 48일 48일 48일 4월 59일 51 21886 10 600 189 9 21 55월 55 55 3 48일 25일 1888 17일 47일	20 1612 Libytes	
A +1 As +3 As +3	254 2275 Green Mar P 2.12 9.8 11 26 23 2274 2275 +15 4175 2374 Graffren F 0.50 0.9 14 5905 3475 2375 3475 4474 4815 Graffren F 0.50 0.9 14 5905 3475 2375 3475 4775 4815 Graffren F 1.00 1.7 17 371 6906 5914 69175 +14	19 ² 4 16 ² 6 Lines 18 ² 1 277 14.5 129 18 ¹ 2 18 ² 5 18 ²	
6 +2	143, 115, Griffor 14 248 14 135, 135, -1, 143, 115, Griffor 14 248 143, 144, 144, 143, 144, 144, 144, 144,	477, 331, 1200 x 0.65 1.0 20 616 463, 463, 463, 463, 43, 51, 41, 11, 11, 11, 11, 11, 11, 11, 11, 1	ŀ
ել եր բել բեր բեջ	77% Str 14 Gascs 9.26 0.3 28 5043 7312 7213 7312 +1 7512 5356 Galdemoto 0.16 0.1 68 1872 47612 7512 7512 +1 2078 1774 Gallerot M 0.44 2.2 11 205 1974 1912 1956 +1	41 2 21 2 Lorente Gp 2.18 0.5 22 1222 31 2 31 31 31 42 11 11 15 2 Lorente Gp 2.18 0.5 22 1222 31 2 31 31 31 42 11 11 15 15 2 Lorente 1 10.0 1.0 8 1939 57 2 55 2 57 4 5 4 5 50 4 50 4 50 4 50 4 50 4 50	
15 15 15 15 15 15 15 15 15 15 15 15 15 1	-	24½ 21½ Lighti 1.78 7.9 10 667 22½ 22½ 22½ ++2 27½ 22½ Logsin 0.56 7.2 16 459 25½ 24% 25½ ++3 19 15 Longréser 0.64 3.8 24 250 17 16½ 17 ++3 55½ 45½ Logsin 0.24 0.5 71 2025 52 51½ 51½ -1½	
12 14 14 14 14 14 14 14 14 14 14 14 14 14	- H - 21 ¹ 2 15 ¹ 5 HK Tel ADR 19.99 4.7 1.7 3021 21 ¹ 5 21 21 18 ⁷ 4 18 HTE Propu 1.24 7.4 11 27 18 ¹ 4 18 ¹ 5 15 ¹ 4 + ¹ 5	22 17 Louis 2 0.55 29 781 1912 19 1915 17 4014 315 Louis 0.22 0.5 20 3120 3816 3814 38 14	
4 +14 42 +4	78 ¹ 2 58 ¹ 2 Heilbe 100 1.3 28 5862 78 ² 3 78 ² 5 78 ² 4 28 ² 4 15 ² 5 Heilberod 5 15 27 ¹ 4 27 27 ¹ 4 -1 ₈ 12 ¹ 4 10 ¹ 8 Heilberod 0.32 2.5 21 146 12 ² 5 12 ¹ 8 12 ¹ 8 12 ² 5 1 ² 5 1 ² 5	35 30% Lubrat v 1.00 29 12 799 34% 34% 34% 4 21% 17% Lubrat Cafe 0.80 4.0 12 181 187 18% 18% 18% 4 63% 44% Lucration v 0.30 0.5 7378 1844 62% 64% 47%	
ր 12 -1-2 14 -1-2	15 ¹ / ₂ 14 ⁷ / ₂ if cook ho: 1.21 &1 19 30 15 ¹ / ₄ 15 15 1 ₂ 21 ¹ / ₄ 18 ¹ / ₄ if cook ho: 1.50 7.7 28 47 20 ² / ₃ 20 ² / ₃ 20 ² / ₃ 20 ² / ₄ 8 ¹ / ₅ 6	22½ 165 Lutenn for 1.00 5.1 317 195 185 195 +5 68½ 505 Lundhin 0.40 0.5 20 312 645 63½ 63½ 63½ 12 24 18½ Lydniků 15 159 21¾ 20% 21¾ +1½	
**************************************	17 ¹ 2 13 ⁵ 8 Hendy Hame x 0.24 1.5 6 191 16 ¹ 4, 16 16 ¹ 6 + ¹ 6 24 ⁵ 8 19 ³ 4 Hammal x 0.42 1.8 17 278 23 ¹ 2 22 ⁷ 6 23 + ¹ 8 36 30 ¹ 2 Hammalord 0.54 1.6 19 349 34 ³ 6 34 ³ 6 34 ³ 6 + ¹ 8	25 ¹ 2 18 ³ 6 Lycoded Pz 0.90 4.1 12 1568 22 ¹ 4, 22 22 ¹ 6	
4 I	27 1913 Horston ADR 0.36 1.4 11 2730 2614 2614 26 +1 4912 422 Harota 0.72 1.5 17 558 462 4514 4614 +1 33 1814 Harota 0.30 1.3 280 23 227, 23 +1	- M - 1042 90% NESA lac: 1.52 1.518 344 1044, 103 ³ g 103%, + ¹ 2	1
12 +18 10 9 -18	47 33% Harday Dov 0.28 0.5 22 3823 46 43%, 45%, 41%, 56% 22% Harday Dov 0.20 0.5 13 141 41 40%, 40%, 40%, 41% 40%, 40%, 40%, 41%	32 ⁵ g 27 ¹ 2 MCN4 x 0.97 3.2 17 629 29 ¹ g 29 ¹ g 29 ¹ g 11 ² g 10 7 ¹ g MDC Heigs 0.12 1.4 8 37 6 ² g 6 ¹ g 6 ¹ g 6 ¹ g 7 6 ¹ g 12 6 ¹ g 29 ¹ g 29 ² g 111 114 48 14 133 24 ¹ g 23 ² g	1
1½ 71 5g. +¼,	20 kg 15 kg Hannalent	67g 67g 675 67m 4ft x 0.527 7.9 10 620 67g 67g 67g 67g 12 22% 20% 806 Prop 1.08 5.1 8 59 21% 21 21% 47 32% 8058 65gpd 27 1540 39% 38% 38% 38% 47g	1
12 +12 12 +13 14 +1	35 ² ₃ 35 ² 4 ₄ Henco	31% 21½ MacFrig6g 21 634 29% 29½ 29% - 1- 35% 29½ Naggue Gep z 100 3.1 15 794 31% 31½ 31½ 31½ 31½ 18½ 13½ Magnatak 1229 17¾ 17% 17% 17%	1
1 ₂ +1 1 ₄	16½ 13½ hathras x 1.14 8.2 21 14 13½ 13½ 14 36½ 32½ historiscel x 2.44 7.2 13 210 34½ 33½ 34½ +½ 20½ 17½ hathras 1.44 7.8 18 1002 18½ 18½ 18½ 18½	183, 144, Mainrain F 610 145, 145, 145, 145, 145, 145, 145, 145,	8 2
30 ¹ 8 ² 4 + ¹ 8	37 ¹ -37 ¹ -3 Health Ca 2.44 7.2 15 251 34 38 ¹ -4 38 ¹ -4 21 ¹ -3 11 ¹ -3 Health Ca 2.44 7.2 15 251 34 38 ¹ -4 21 ¹ -4 21 ¹ -4 21 ¹ -5 Health Ca 2.44 7.2 15 251 34 38 ¹ -4 21 ¹ -5 11 ¹ -4 21 ¹ -4 21 ¹ -5 11 ¹ -4 116 Health 22 3188 22 ¹ -6 21 ¹ -5 22 4 ¹ -2	28 217, Nanot x 0.09 0.3 23 1144 277, 257, 277, +1 437, 291, Nanot x 0.16 0.4 21 3404 427, 41 417, -1 42 31, Norma Lon 0.30 7.7 8 99 4 37, 37,	5
	74 54 House 1 1343 54 54 54 44 18 125 Hollow 0 28 1.7 20 6511 163 18 18 18 4 4 4 4 4 2 2 2 2 2 2 3 4 4 4 4 4 2 3 4 4 4 4	7 54 kinese x 0.30 4.4 12 85 67 67 52 67 44 22 kg 24 44 22 kg 24 22 kg 24 42 25 kg 2	•
اي بلو اي باي	56 41 ½ Helen Prix 0.52 0.9 18 1334 554 544 554 554 44 454 454 464 44 45 56 464 44 45 464 44 45 464 44 45 464 44 45 464 44 45 464 44 45 464 44 45 464 44 46 46 46 46 46 46 46 46 46 46 46	59%, 46%, blanti 0.36 0.8-25 746 56%, 55%, 55%, 55%, 12 131½ 182%, blanklet, 5.00 2.8 19 1250631 2125½ 125%, 130%, 47%, 55%, 30%, blanklet, 12 1268 35 34%, 54%, 58 36%, 53%, blanklet, 2 18 4522 30 38%, 38%	. 2
74 - 74 - 74 - 74 - 74 - 74 - 74 - 74 -	80 48 ¹ 6 Hendfac 0.56 1.1 1923689 53 ¹ 6 53 ¹ 5 52 ⁵ 6 22 15 ⁷ 8 Hencel 798 18 ¹ 2 17 ¹ 6 18 ¹ 8 +1 ¹ 8 72 ⁷ 8 51 HFS 44 6717 57 ¹ 2 56 ¹ 8 57 - ¹ 2	21/2 15%, htm. 21/2 100 21 13 452 36 42/2 21/2 21/5 +1/5 +1/5 10 9% htm. 21/2 100 83 5 9% 9% 9% 9% 9% 9% 9% 9% 9% 9% 9% 9% 9%	2
% Å +k 83+15	147g 123g Holemba A 0.32 2.4 15 1986 131g 132g 131g +1g 81g 71g 14 Yhdinc x 0.72 9.4 15 75g 71g 75g +1g 91g 81g H1 Yhdinc x 0.84 9.2 8 91g 91g 91g	20% 13% Marset 15 481 14% 15% 14 12% 15% 14 12% 15% 14 12% 14 12% 14 12% 14 12% 15% 15% 15% 15% 15% 15% 15% 15% 15% 15	7
₹8 + ¥8 18 + ¥8	244 173 Nghidha 182 2013 185 185 185 413 144 143 143 182 2014 184 144 145 413 474 315 216 315 315 315 315 315 315 315 315 315 315	[6½ [2½ kincoln 14 55 14½ 14½ 14½ 14½ 14½ 14½ 15½ 15½ kincoln 120 25 16 2489 47½ 47½ 47½ 47½ 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15½ 15	3 5 2
14 14 15 14	30 ¹ g 24 Hillsoni 0.32 1.1 33 1762 29 28 ³ g 25 ⁷ g + ¹ g 110 ¹ g 86 Hillsoni 0.79 0.7 29 110 108 105 ¹ g 108 +3 ¹ g 61 4 47 ² g Housepa 0.24 0.4 31 14124 61 ¹ g 60 ¹ g 61 - ¹ g	374, 2674, MERIA & 0.48 1.4 23 8045 3312 3214 3314 +114 2774, 23.21 McDistry 0.38 1.3 21 305 22814 2814 2814 +214 3014 2875 McDistric2 2.20 7:1 41 x8114 3015 3114 +114 1	3
ارا بارا ارا بارا ارا بارا	16% 12% Hospital : 0.30 1.5 2910894 13% 13% 13% 13% 65% 51% Hospital RDR: 0.22 0.4 18 537 62 60% 61% 61% 61% 61% 61% 61% 61% 61% 61% 61	31½ 29¼ McDenu2.6 2.60 8.7 x0 29¾ 29¾ 29¾ 40% 32% McDon lov x 0.38 1.0 13 154 37%, 36% 37% +% 54% 42½ McDon to x 0.30 0.6 21 8160 51% 50% 51¼ +½	1 5 4
4 +1 3 +3 3 +3	487 ₂ 385 ₂ Hickman	56 447g McCarettx 1.44 2.8 21 1933 u554g 547g 547g -1g 747g 517g McCarettx 1.00 1.3 1303 u76 737g 757g +17g	5
14 14 14 14 14 14 14 14 14 14 14 14 14 1	247 ₂ 20 Hoosbarn 0.12 0.6 50 2475 211 ₄ 211 ₅ 212 ₅ 21 ₄ 162 ₄ 151 ₄ 1636 ₄ 171 ₅ 172 ₄ 172 ₅ 172 ₄ 172 ₅ 172	63 49 m Memotop x 1.20 1.9 18 1452 653 2 52 2 63 3 + 1 2 40 2 52 Memotop 2 25 7.7 13 618 37 36 4 37 + 4 7 1 3 57 1 Memotop 2 25 7 1 4 4 7 2 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	1 1
3 4 +4 8 +8	1084 7879 18204 1.58 1.8 17 2587 9672 5274 9574 +275 1778 1279 182008 0.18 1.0 27 43 1672 1673 1675 17 44 4674 4674 184008 1.04 2.3 20 222 4475 4375 4475 +75	411 ₂ 334, Medium Cry 1 0.60 1.6 11 132 384, 37 ² , 37 ² , 1 ² , 67 Medicili. 2.64 3.0 16 3204 486 ² , 67 68 ² , +2 9 ² , 64 Ministry 0.64 9.2 9 9 ² , 9 ² , 9 ² , 9 ² , 9 ² ,	1 8 4
4 + 2 4 + 4 2 + 4	214, 14 Hodison Fits 0.08 0.5 17 846 157, 151 ₂ 157 ₃ +1 ₂ 147 ₅ 124, Huffy Com 0.34 2.6 24 143 1314 131 ₄ 131 ₄ 131 ₄ +1 ₃ 431 ₄ 301 ₂ Hughe; Sup 0.44 1.2 12 210 381 ₈ 377 ₅ 38	52 ¹ / ₂ 46 ¹ / ₄ Merch 120 22 16 1122 55 ¹ / ₄ 52 ¹ / ₅ 54 ¹ / ₄ -2 59 ¹ / ₅ 72 ¹ / ₄ Merch 150 18 27 1018 53 ¹ / ₅ 91 ² / ₅ 93 -1 ¹ / ₅ 16 1 ¹ / ₅ Merchy P 31743 2 ¹ / ₅ 2 ¹ / ₅ 2 ¹ / ₄ + ¹ / ₅ 72 ¹ / ₅ 2 ¹ / ₅ Merchy G 1.16 1.6 17 24 67 ² / ₅ 72 ¹ / ₅ 72 ¹ / ₅ 72 ¹ / ₅ + ¹ / ₅	. 8
4 +48 4 +42 4 +44	23½ 17½ Marsaga 228 21¾ 21¼ 21½ +½ 19½ 16¼ Marsaga 20 14 134 19 18½ 18½ 18½ +½ 9½ 6½ Marsagaton 10 324 6¼ 48½ 8½ -½	27 1 22 1 Months 0 26 1.0 22 615 25 1 24 3 25 1 2 2 3 1 1 2 1 1 1 2 2 3 1 2 2 3 1 2 2 3 1	3
اباد دا او باو او باو	91ų 9Hyperipas 0.90 96 63 9 ⁵ 8 91ų 93 ₉	4½ 4½ Messisk 7st 15 85 42 44 44 15 15 16 15 16 15 16 15 16 15 16 15 16 16 16 16 16 16 16 16 16 16 16 16 16	8
8 +18	- [- 25 22 ¹ 3 189 Inc 0.10 0.4 12 727 23 ¹ 2 23 ¹ 3 23 ¹ 4 - ¹ 8	90 ⁵ g 69 ⁷ g MGC hw x 020 0.2 19 1583 88 ¹ g 87 ⁷ g 88 ¹ g +5g 45 ⁵ g 29 MGC hw x 020 0.2 19 1583 88 ¹ g 87 ³ g 38 ¹ g +1 ⁷ g 45 ³ g 28 ¹ g +1 ⁷ g 47 ³ g 48 ² g 47 ³ g 48 ³ g 48 ³ g 47 ³ g 48 ³ g 4	5
2 2 3 +1-2 2 4 +2 5 +1-2	200 203 2 1315 107g 687 2 97g 1 124g 103g 687 2 97g 1 124g 103g 687 2 97g 1 124g 103g 687 2 97g 1 13 13 13 13 13 13 13 13 13 13 13 13 1	11 9-2 Middwell 0.08 9 0 20 9 3 9 4 9 5 9 4 17 17 15 9 Middwell 9 7 1 13 30 16 7 16 1 16 7 16 1 1 1 1 2 1 1 1 1 2 1 1 1 1 2 1 1 1 1	10
79 +1 4 + 14 14 +19	31½ 28½ tdato Per 185 83 13 103 28½ 28½ 28½ 28½ 28½ 28½ 28½ 28½ 28½ 28½	45% 374, MORROY 0.36 0.9 1242 414, 404, 4112 +1 94%, BO MARROY 212 23 24 3212 92%, 90%, 92%, +1%, - 25%, 19%, Marago Res 23 28813 25 24 24 4, -	3
7 4	33 29½ 117m 42 2,71 8.9 20 32 32 32 32 30 30 4, 27½ 11 74.08 2.04 6.9 20 29½, 29½, 29½, 31½ 20½ 30½ 30½ 30½	27 1 20 1 10 20 21 1 21 1 21 1 21 1 21 1	5 3 10
10 +112	36% 30½ 80mm 0.92 28 16 884 36 35% 36 $+\frac{1}{2}$ 47 42½ 80mm 9. 300 8.9 20 43¼ 43¼ 43¼ 47 42½ 80mm 9. 12 45 57 8 8312 21% 21½ 21% $+\frac{1}{2}$ 53½ 45 10 2.18 41 20 1961 52½ 52½ 52½ 52% $+\frac{1}{2}$	81 ₆ 45 ₆ Mited Corp 18 1684 6 51 ₆ 57 ₆ 11 1401 ₆ 120 Motellar 424 3.1 17 4221 1395 ₆ 1381 ₅ 1381 ₆ 147 ₆ 67 ₆ Motellar 1281 1291 91 ₅ 8 61 ₆ 13 ₆ 91 ₆ 7 Motellach 1202 2.8 135 72 ₆ 77 ₆ 77 ₆ 77 ₆	14 11
, 1	53 ¹ 4 45 D1 2.18 41 20 1981 52 ² 4 52 ³ 4 52 ³ 4 + ² 6 31 ² 6 2 ¹ 4 brooten 2850 23 ² 6 22 ³ 5 22 ³ 5 + 1 ³ 8 42 ¹ 2 3 ³ 6 MC3obal 0.32 0.8 19 1553 38 37 ³ 6 37 ³ 76 + ¹ 2 3 ³ 76 2 ³ 76 4 ³ 78 2	46°4 34°4 Massan r 0.64 1.4 27 4846 44°4 45°4 44°5 44°5 23°4 21 Massan Pa 160 7:1 10 1270 22°4 22°5 22°5 4°4 8°4 6°4 Massan 000 12 22 6°5 6°5 6°5 6°2	47
4 1/2 2 +14 2 +12	28% 20% imperio: 10 83 24% 24% 24% 16% 15% iMA imperio: 124 79 114 15% 015% 15% 15% 3% 11% 15% 015% 15% 3% 11% 15% 015% 15% 3% 11% 15% 015% 15% 3% 11% 11% 11% 11% 11% 11% 11% 11% 11%	187g 177g MOORROOM St. 1 40 8.0 8 18 177g 177g 177g 177g 227g 187g Moore Comp. 0.94 4.2 7 1810 227g 227g 22 227g 4.4 1187g 897g Migrup 252 3.4 13 3868 105 1037g 1047g 4.3 g	3
g +lg }	13½ 10½ hatsagen 008 07 151 11½ 11½ 11½ 1½ 27½ 22½ tod Snarqy x 114 4.8 13 89 23½ 23½ 23½ 3½ 11½ 11½ 9½ hatsigij 57 10 0½ 10 1½	11 9 94 Morgan (200 6.3 158 10 2 10 4 10 4 4 6 7 7 9 4 7 7 4 6 7 9 1 7 9 4 7 1 7 9 4 7 9 7 9 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1	æ
+ 12	53 ¹ ₂ 41 ³ ₄ ingRmd x 0.82 1.5 15 1597 u53 ¹ ₈ 52 ¹ ₂ 53 + ¹ ₄ 27 ¹ ₈ 18 ¹ ₈ midSr 0.20 0.8 16 1727 24 ¹ ₂ 24 ¹ ₄ 24 ¹ ₂ 24 ¹ ₄ 24 ¹ ₂ 24 ¹ ₄ 24 ¹	975 544 Magnist 880 12 10 1374 6735 655 675 41 124 124 125 1254 125 1254 125 1254 125 1254 125 1254 125	36
5 +12 6 +12 4 -14	18 4 16 4 IntStagn 0.25 1.5 16 20 17 12 17 12 17 12 17 12 17 18 18 18 18 18 18 18 18 18 18 18 18 18	89 n 54 Mirain 0.48 0.7 3619400 6514 832 6514 +134 912 673 Miraini v 0.50 6.6 128 912 913 013 11 112 1012 Miraini v 0.70 6.4 53 11 1072 1073	13
5 -5 8 +4	4½ 2½ intate 14 551 3½ 3½ 3½ 3½ 17 1751 1754 1884 1 1.40 08 1419331 174½ 173½ 173½ 173½ 173½ 173½ 173½ 173½ 173	54 43 May 140 45 130 28 15 2467 467 457 467 467 184 11/2 May 184 11/2 May 184 11/2 May 184 11/2 May 184 11/2 May 184 11/2 May 185 11/2	8. 4.
8 +18 8 +1 8 +19	27/2 17/4 milest 0.80 30 339 27 28/4 27 4/4 47/2 38/2 mileston 1.00 21 60 103/6 u48/4 47/4 47/2 4/4 59/2 47 mileston 0.78 1.2 22 2162 u60 59/2 59/2 4/4	- N -	32
2 + ¹ 3 2 + ¹ 3 2 + ¹ 3	48%; 33%; internat 0.72 1.6 9 95 43%; 42%; 43%; +1 19%; 13%; internation 1 0.8 0.8 12 21 u19%; 19%; 19%; -1%; 10%; 28%; internation 2 0.8 7.3 10 56 28%; 28%; 28%; 28%; +1 10%;	85 ¹ ₂ 95 ⁵ ₂ MOI Corp 1.20 1.8 13 29 54 ⁷ ₂ 54 ¹ ₃ 54 ⁷ ₃ 54 ⁷ ₄ 32 44 ¹ ₂ 36 Nations 0.62 1.4 4243 43 ¹ ₂ 47 ⁷ ₂ 47 ¹ ₂ 47 ¹ ₃ 42 ¹ ₄ 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4 42 ¹ 4	52 12 62 44
4 -48 4 -48 4 -4	47g 314 interTAM 8 35g 31g 35g 41g 197g 1544 intiGament x 0.12 0.7 17 3944 18 175g 177g 414 177g 107g int Recti 20 1553 151g 1514 155g	55 ¹ g 44 ¹ g Nacon 0.78 15 11 87 50 ⁷ g 50 ¹ g 50 ¹ g 50 ² g +1 ₂ 38 ⁷ g 34 ¹ g NacoCn x 1.00 27 17 1892 36 ⁵ g 36 ¹ g 36 ¹ g +1 ₂ 13 11 ¹ g NacoCn x 4 30 11 ⁷ g 11 ⁵ g 11 ⁷ g +1 ₂	10 42 17
9 +14g 9 +4g 14 +5g	87 ₆ 63 ₆ Int Tecton 195 7 63 ₄ 7 43 ₆ 1934 143 ₆ burning Cp 22 6195 177 ₄ 167 ₅ 17 4 ₄ 153 443 ₆ burning Cp 28 389 48 483 ₄ 483 ₄ 3 ₄ 325 ₅ 325 ₅ burning Ent 100 3.2 15 253 313 ₉ 303 ₄ 313 ₉ 44 ₄	12% 7% Neukuminis 9 239 9 8% 9 4% 9 4% 16 65 46 Neuminis 1.22 2.2 13 6360 59% 56% 59% 4.7 24% 18% Neukuminis 1.56 6.9 16 404 22% 22% 22% 2.5 4.7	3
2 42	16 ⁵ 5 14 htsh from 0.22 1.3 59 16 ¹ 2 16 ¹ 4 16 ¹ 9 14 ³	72 55°g Mat Austra 3.42 4.7 12 284 672°g 72 72°g 42°2 54°g 42°2 MEChy 1.84 32 15 1746 52°g 51°g 51°g 43°g 43°g 43°g 51°g 43°g 51°g 43°g 51°g 43°g 51°g 43°g 51°g 51°g 43°g 51°g 51°g 51°g 51°g 51°g 51°g 51°g 51	85 76 45 38
2 +12	51 1/2 11 1/2 11 1/2 22 1501 60 55 1/2 1/2 25 25 27 27 27 24 1/2 25 27 27 27 24 1/2 24	27 12 12 Mai Shaces \$2 296 u21 2074 2074 4474 30 15 Mai Shaces 1 1.88 4.0 14 140 42 4714 42 414 4072 3574 Mai Presso 2.00 6.4 17 461 3714 3714 3714 3714 3714 3714 3714 371	25 44 20
2 -4	-J-	444, 364, MSsev 1.20 2.7 18 522 437 434 434 444 55 65 65 65 65 65 65 65 65 65 65 65 65	70
-11 -12	57 4 484 J Phogr FF 2.38 6.5 164 521g 511g 521g 4.5g 1101g 57g kindigat En 0.32 3.0 17 232 (1101g 1101g 1101g 1111g 4.1g 201g 231g kindigat En 0.32 3.0 17 232 (1101g 1101g 1211g 231g 261g 4.1g	14 ¹ 2 9 November 6 0.00 10.2 4 59 50 ² 4 51 51 ² 4 14 15 5 ² 4 14 15 5 ² 4 14 15 50 ² 4 14 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16	5
+ ¹ 4	9% 8% 85% 85% 85% 85% 85% 85% 85% 85% 85%	20% 114 Network Er 15 272 164, 167 (64, 47) 21 167 Nemate Par 1.00 7.9 12 469 207 207 207 14 54 47 New Am Plu 0.56 11.1 781 5 47, 5 +14	30 28
4214 2 +18 5	100%, 150%, 150%, 150%, 160%,	20% 19% NCTUBER 2 8.80 2.8 21 181 28½ 28½ 28½ 4½ 15% 30% NCTUBER 2.36 6.8 10 371 34% 34% 34% 4½ 15% 15% 16% 15% 16% 15% 4½	19 12 28
9 +1 ₂ 9 +1 ₂ 2 +1 ₄	62 k 48 k Jessel x 0.88 1.5 2613097 60 k 50 k 50 k 50 k 50 k 50 k 50 k 50 k	30% 20% Nov. 30% 1.50 52 14 76 30% 20% 30% 4.5 30% 20% 30% 4.5 30% 20% 20% 20% 20% 20% 20% 20% 20% 20% 2	17 24 .38
2 +3 2 +1 2 +1		361833 940-2 38-1 4012 4214 381-3 314 3614 37 +14 2013 1614 1614 17 20 180 3714 3614 37 +14 2013 1614 1614 1614 1614 1614 1614 1614 16	33
4 -12 1 -12 1 -13	- K - 31½ 26½ KLM R Diess 102 34 1360 30½ 29½ 30½ 1½ 41½ 36½ 60 Powers 100 36 18 281 45% 47½ 44;	47 2 33 2 Normania	
-4	417g 381g RN Energy 1.08 2.6 18 381 417g 4714 417g 41g 99 78 Km24.45x 4.50 4.7 2.00 95 95 95 -1 3714 271g Kmeth P1 11 28 281g 281g 281g 41g 110 11 11 11 11 11 11 11 11 11 11 11 11	2012 37 (Stage 18 3.5) 8.5 1 (1027) 2012 2012 2014 1 (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	30
	104 942 Karedo Ser 0.88 8.1 3 1046 1078 1078 1078 412 314 134 134 134 134 134 134 134 134 134	41 38-3 Marson Ind 1.40 4.4 13 321 405-2 405-3 405-3 415-3 12-5 12-5 12-5 12-5 12-5 12-5 12-5 12-5	71 13 32
4	16% 18 Kanips 6% 1.00 8.2 at 18 616 18 57% 43% Kanaps 8 at 0.00 07 13 772 55% 56% 5% 4% 17% 13% Kathara 0.00 07 13 11 132 16% 16% 14% 15 11% 1	21 15 15 Noview 21 22 27 24 24 25 22 14 14 15 16 16 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18	18
+4	15 12 k km/mm 15 12 k km/mm 15 12 k km/mm 15 12 k km/mm 15 11 15 239 49 k 49 49 49 49 49 49 49 49 49 49 49 49 49	57% 45% North Hydra 843 1.8 13 129 51% 51% 51% 4.2 27% 17% North top 0.10 0.4 13 15 23 22% 22% 1	16 74 36
#12 #18	73 ¹ g 64 Kelingg 1.68 2.3 31 2027 73 ¹ g 71 ¹ g 72 ⁷ g 1 1 27 ¹ g 18 ² g Kelingos 0.60 2.5 15 753 24 ¹ g 24 ¹ g 24 ¹ g 24 ¹ g 11 ¹ g 10 kelingos 0.67 8.4 43 10 ¹ g 10 ¹	21에 10개 10개 10개 10개 23 14 472 21월 22월 21월 4월 14월 7개 18년 12 27월 27일 4월 14월 7개 18년 12 27월 27일 41월 14월 14월 14월 14월 14월 14월 14월 14월 14월	122 17
+12	104, P2 Kemper His 0.90 8.0 152 10 97 ₈ 10 132 12 28 28 28 28 28 28 28 28 28 28 28 28 28	94% 5012 NT de 0.52 0.5 40 4510 u87 1 54 581 1 - 31 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	61
	ı	1	

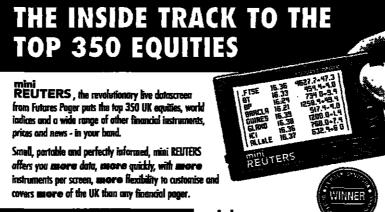
-0-

e edge over your conetery working day. Working day. Stocksund and fine





1 MONDAY MAY 26 1997 * 1 MAY 26 1997 *	NASDAQ NATIONAL MARKET 4pm about Mark
NYSE PRICES	NASDAG NATIONAL MARKET
Confined from provious page 104. Will the top law dots then Confined from provious page 104. Will the top law dots then 104. Will the top law dots then 104. Will the top law dots then 105. Will the top law dots then 104. Will the top law dots then 105. Will the top law dots then 106. Will the top law dots the top law do	Stands S
20% 19% 19% 19% 10% 2.9 47 85% 20% 10% 1.18 47 14 644 14% 14% 14% 14% 14% 14% 14% 14% 14% 1	Day CD 0.241887 70 3854 3854 4852 man Rech 16.07168 577, 3854, 3754 4-10 Remchilded 23 20 2314 2334
8 7% Schmidt 425 29 34 112 ml Sig 15 15 15 15 15 15 15 15 15 15 15 15 15	ACCOUNT 7372407 25-5 25-4 25-4 16 1-516 1-
127, 98, 3040 0.12 1.1 20 1112 1112 1112 1112 1112 251 251 251 110005300 1.12 1.1 20 1112 1112 1112 1112 350 271 2712 13000530 1.22 1.1 251 251 251 251 251 251 251 251 251 25	1 Lisentone 28 49 57, 571, 571, 571, 571, 571, 571, 571,
19% 14% 5486\$ 0.06 0.3 52 12% 17% 17 174 14 41% 25% Taraction 1 54 9075 10% 10% 10% 10% 10% 10% 10% 10% 10% 10%	7 + 6 Adobe 0 020 20 7174 462 454 465 + 16 - 16
189 154 200 200 4 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Advantable 1574 us734 4012 4034 + 14 SCITCH X 620 18 871 23 2212 2256 -14 Useline 25 17 18 1754 1754 -15 Apren Femy 12 2131 us26 512 614 + 15 Advanta 0.44 7015277 275 2416 2712 + 2531 18 514 514 514 514 514 514 514 514 514 514
42 37 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	1 +5 AMERI 024 20 1179 37 ¹ 2 367 ₃ 37 -7 3 Section 2 1.27 11 195 53 ¹ 4 53 ¹ 2 53 ¹ 2 53 ¹ 2 37 33 ² 3 1 Section 2 1.27 11 195 53 ¹ 4 53 ¹ 2 53 ¹ 2 53 ¹ 2 37 33 ² 3 1 Section 2 1.27 11 195 53 ¹ 4 53 ¹ 2 53 ¹ 2 53 ¹ 2 37 ² 3 33 ² 3 1 Section 3 2 5087 31 ¹ 2 31
25 21 Schopski v 1.20 5.7 13 108, 224, 225, 225 103, 224 225, 225 104, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 224 225, 225 105, 225	ABCOM 0.84 12 x0 1642 1652 1652 1652 1652 1652 1652 1652 165
604 854 Separa	2 1 Agr Cap 174 13 44 154 15 ¹ / ₂ 15 ¹ / ₂ 2 15 2 15 2 15 2 15 2 15 2 15 2 15 2
13.72 Constants 0.12 0.7 250 3/2 3/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1	+ + Ambitanis 0.80 12 46 57 55% 55% + 1 Britis San 21 149 254 244, 254 + 1 Mac Mar x 0.20 8 59 1154 15 15 Saltas B 7 x0 7 7 7
17 11 \$ Santy WI	Am Softmat 312 612 676 676 74 Beddeller 329 115 1154 1154 74 Margani Co 17 13 13 13 14 Sequent 69 2116 16 154 1554 156 15
234, 17 Sanatont 0.10 0.5 20 1200 195 195 195 4-1 115 107 107 107 105 105 105 105 105 105 105 105 105 105	America Co. 18 136 ut 124 120121 2 +1 2 Severage 0 022 18 11 ut 19 1733 19 + Record No. 18 18 18 18 18 18 18 18 18 18 18 18 18
23\subsection 1500 10\subsection 17\subsection 1500 10\subsection 17\subsection 150\subsection 1	Ampuring 237908 693, 643, 643, 653, -141 Ampuring 237908 693, 643, 653, -141 Ampuring 237908 693, 643, 653, -141 Ampuring 237908 693, 644, 644, -141 Ampuring 237908 693, 644, 644, -141 Ampuring 237908 693, 644, -141 Ampuring 237908 693, -141 Ampuring 237908 693, -141 Ampuring 237908 693, -141 Ampu
26° 21 Salama 0.00 2.4 12 39 24° 24° 24° 24° 32° 32° 32° 32° 32° 32° 32° 32° 32° 32	Analogic 0.20 22 54 33 ¹ g 32 ¹ k 33 +1 Feat Cp 12 23 147g 147k -1 McCormstow(0.00 41 3200 32 ¹ g 25 ² g 28 +1 September 28 306 53 31 ¹ k 30 ¹ g 31 ¹ k Protected 0.02 53 1800 48 ¹ g 48 ² g 47 ¹ k +1 ¹ g 166mine 18 2 11 ¹ g 11 ² g 11
45° 25° 25° 25° 25° 25° 25° 25° 25° 25° 2	1-6 Apopter Lip 22 57/13 274 557 559 1-2 Figure A 4 303 1212 1214 1-15 Mentre C 20 5351 756 756 754 1-6
20% 24% Souccur 9.72 2.5 15 837 28% 27% 28% 4 1 22% 19% 1 10.7 Tu fragging 2.20 2.3 6 67. 3 5.5 2 5.5	Appellone 0.07 18 1508 241 257 241 Fathern 1.20 16 724 457 447 45 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
18 144 September 2 0.00 2.6 19 916 155 154 154 155 154 155 154 155 155 155	Argonout 1.64 515 574c264, 2576 - 78 Finery 27 5120 39 3876 3876 4 5 14 64 876 4 72 1576 1676 1676 16 16 16 16 16 16 16 16 16 16 16 16 16
247 27 Statested 144 8.5 14 883 22 217 22 22% 10 Titure A 99 1029 22% 23 44 300 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 10 States C 129 45 11 53 20% 27% 27% 27% 27% 27% 27% 27% 27% 27% 27	Artisoft 532 3½ 2½ 2½ 1½ Food.A 0.13 15 8557 6½ 15 15 15 162 162 162 162 162 162 162 162 162 162
20% 16% SouthWillow 2 0.22 4.8 33 239 17% 17 17% 14 16 16 1838016 2.2 3 27% 15 16% 16% 15% 15% 16% 15% 15% 15% 15% 15% 15% 15% 15% 15% 15	AST Rench 579 5% 5% 5% 5% 100 20 1009 20% 27% 1% 16 100 20 1009 20% 27% 1% 16 100 20 1009 20% 27% 1% 16 100 20 1009 20% 27% 1% 16 100 20 1009 20% 27% 1% 16 100 20 1009 20% 27% 1% 16 100 20 1009 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 10 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 16 100 20% 27% 1% 10 100 20% 27% 1% 16 100 20% 1% 16
57 7/2 Spector C) 25 84 84 44 10 107 108 108 108 108 108 108 108 108 108 108	+14 Author 0.24 8077 37% 35 37% +27% Februaria 0.62 17 65 25% 25 25 2 -4 Modern MX 0.75 14 385 259 2 25% 25% 25% 25% 25% 25% 25% 25% 25% 2
614, 37 ² 5 SX 383 51 60 ¹ 4 60 ¹ 4 + ¹ 5 12 WhitenDarit 0.20 1.4 64 283 14 ¹ 4 13 ⁷ 5 14 62 ² 5 25 ¹ 4 S. Lenniki 35 422 25 ¹ 4 34 ¹ 5 34 ¹ 5 14 37 ² 5 22 ⁷ 4 Whithin 2 0.96 2.8 24 1201 127 ² 5 38 ¹ 2 37 ²	المناب ا
144, 134, 354 Medica: X 22, 24 15, 119, 137, 1375, -4g 31, 1915, 13, 137, 147, 15, 15, 15, 15, 15, 15, 15, 15, 15, 15	- 14
25°2 27°3 SuPreof 0.88 27 17 89 25°4 24°3 25°4 4-1 30°2 25°5 1857 182 5.6 11 7450 25°5 25 25°4 4-1 25°4 25°4 25°4 25°4 25°4 25°4 25°4 25°4	-14 Bahril St 0.40 10 20 175 176 176 176 Gheng2000 20 20 664, 664 664 664 664 664 664 664 664 66
313 273 Sarrati 0.72 24 10 33 302 30 302 32 32 1884 Bat 0.44 13 19 541 324 325 324 42 22 Worthcorp 3 53 31 3 31 901 525 Sanskip 0.66 0.9 22 2754 565 58 567 12 23 185 Indian 0.12 0.5 15 110 205 195 195 195 195 195 195 195 195 195 19	+5g Sentemorth x 1.16 11 272 474, 422 472 44 Sentembr 1587 474 43g Marketon 0.48 16 162 263g 28 263g +15 Sentembr 1587 474 43g Marketon 9 19 177g 177g 177g 177g 177g 177g 177g
36 244 Serton 36 255 32 314 32 414 St. 155 155 25 315 527 314 52 42 244 154 155 155 24 244 244 244 244 244 244 244 244 24	+12 Besset Fx 0.80 19 1052 26 25 25% -12 Sense Inc 1254 552 552 552 16 Nelton 33 3517 20% 20% 17-Cell Sc 274 1.6 16 16 16 16 16 16 16 16 16 16 16 16 16
43 314 Scenesiate 0.80 1.4 200 044 43 44 13 65 80 148 450 7.1 20 657 657 657 657 657 657 657 657 657 657	Beneficus 0.42 9 26 93 607 67 67 Eboom 6: 16 291 224 215 217 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 324 33% 45 Beneficus 0.62 12 134 134 41 12 Eboom 6: 16 291 224 215 217 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 324 33% 45 Beneficus 0.60 12 273 544 532 335 44 45 Eboom 6: 16 291 224 215 217 8 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 324 33% 45 Eboom 6: 16 291 224 215 217 8 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 324 33% 45 Eboom 6: 16 291 224 215 217 8 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 33% 45 Eboom 6: 16 291 224 215 217 8 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 33% 45 Eboom 6: 16 291 224 215 217 8 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 33% 45 Eboom 6: 16 291 224 215 217 8 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 33% 45 Eboom 6: 16 291 224 215 217 8 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 33% 45 Eboom 6: 16 291 224 215 217 8 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 33% 45 Eboom 6: 16 291 224 215 217 8 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 Heurogen 172 328 173 17 174 44 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 2154 217 8 TCA Cable 0.54 22 154 33% 45 Eboom 6: 16 291 224 215 217 8 TCA Cable 0
15° 5° Smilettes v 0.20 1.4 10197 15 144, 14°5 - 25° 17°4 IndionTexas 0.20 1.0 10.1336 20°2 20°3 20°3 20°3 20°4 20°5 20°4 10°5 10°5 10°5 10°5 10°5 10°5 10°5 10°5	+ 2 18 18 18 18 18 18 18
574 44 Santinory 1 Car 14 7 22 4 4 5 5 5 5 5 5 5 5 5 6 5 6 5 6 5 6 5 6	Biomest 0.40 19 5810 0.18 \(\frac{1}{2} \) 17 \(\frac{1}{18} \) 18 \(\frac{1}{18} \)
31 284 Sapatel 140 30 12 381 458 285 444 135 105 196 196 13 13 13 13 13 13 13 14 14 14 14 14 14 14 14 14 14 14 14 14	Boole & B 30 233 21 2 20 2 20 2 20 2 20 2 20 2 20
27.11 28/2 Symbol Rec. Cup. Cup. 22.1 22.1 38/2 39/2 39/2 39/2 39/2 39/2 39/2 39/2 39	Brady# A 02: 18 310 254; 252; 254; +4; 6gmborse 1910727 243; 234; 24 11 11 11 11 11 11 11 11 11 11 11 11 11
The Collection of the Collecti	Substants 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
6 4T(29/8der 120 15 19 22 54 55 55 54 576 16 17 16 10 16 16 10 16 16 16 16 16 16 16 16 16 16 16 16 16	Hastingyi 0.84 12 388 0.65½ 34½ 35 +½ 0ffeitred.g 18 4443 18½ 18½ 18½ 18½ 18½ 11 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18
794 65 TOK Corp At 9.43 0.6 37 122 744 775 776 176 176 176 176 176 176 176 176 176	with 152 152 153 153 153 153 153 153 153 153 153 153
25 22 23 1 millect to availability. You can also order order at	day. Catagene 20 781 781 781 Hatenffroy 20 599 25% 24/2 25 Obscine 27 180 1802 184, 1802 179 4044 17 191 191 191 191 191 191 191 191 191
48% 20% Tentres 1.84 3.8 21 1000 48 47% 48 47% 48 47% 100 12 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Condiscs 37 1473 514 431 413 +15 House Boat 0.88 15 20 383 3834 505 21 100 483 4834 41 Control DC 20 21 22 1472 1773 1774 512 177
	Consider 18155 35 ¹ g 34 ¹ g 35 +12 (inffect 0.60 15 320 25 ² g 28 ² g 28 ² g 28 ² g 28 ² g +2 (obtains 1 0.60 15 320 25 ² g 28 ² g 28 ² g 28 ² g +2 (obtains 1 0.60 15 320 25 ² g 28 ²
AMEX PRICES 4 pm date to	Dalgern 950 7/2 7/4 74 52 Hybridon 450 612 618 618 14 USBBRD 1.24 19/2320 62 614 62 +14
P/ Sin P/	Contribut 18 2 20 18 ¹ 4 20 +4 Procest 2 0.00 15 1845 et 8 ¹ 2 40 43 ¹ 4 +2 ¹ 4 US Tat 0.60 23 53 47 46 ¹ 54 47 + ¹ 6 Complete 11 20 4½ 64 ¹ 2 4½ 12 Procest 2 0.00 15 1845 et 8 ¹ 1 10 ¹ 4 10 ¹ 54 10 ¹ 55 10 ¹ 56 1.15 US Torp 0.40 10 304 20 ¹ 4 20 ¹ 5 10 ¹ 5 11
Adv Mags 39 12½ 12½ 12½ 12½ 12½ 12½ 12½ 12½ 12½ 12½	Chemish 1951 5.6 5% 5% 5% US intel 218 15g 13g 13g 13g 13g 12g Pacificinel 32 20 767g 767g 767g 12g Unit Telev 0.50 19 13 1772 2772 2772
Am har Pa 424 6 20 6 20 62 10	Chirch Cp 57 2455 191 ₈ 183 ₄ 191 ₈ + 1 ₉ terms 363 143 143 + 1 ₉ Penn Inty 15 22 271 ₂ 283 ₄ 271 ₂ + 1 ₉ terms 1327006 87 ₆ 83 ₈ 83 ₅ + 5 ₆ Penn Inty 15 22 271 ₂ 283 ₄ 271 ₂ + 1 ₉ terms 12 271 ₂ 283 ₄ 271 ₂ + 1 ₉
Appel-frok 50 5 4 5 5-4 17 indis 3488 223 213 213 213 214 21 6 7 6 6 6 7 6 6 6 7 6 6 6 7 6 6 6 7 6 6 6 7 6	Cate Cate
Audition 259 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Cases 22 Sass 19 26 27 26 27 27 27 27 27
98H Comm 13 20 34, 34, 34, 51, 15 151, 17 151,	To Consider the St 134, 134, 134, 134, 134, 134, 134, 134,
Benero 20 use 4 4 4 4 4 4 4 4 4 5 Fine A 3.20 13 4 1868 4 1868 18 14 12 15 18 18 18 18 18 18 18 18 18 18 18 18 18	Columnent 20 800 44½ 43½ 44 +½ Intervise 14 2038 12½ 11½ 11½ 1½ 18 Physiophen 1988 6½ 5¼ 6¼ +½ Collegen 0.20 25 184 17½ 16½ 17 +½ Intervise 15 15 23½ 22½ 2½ 2½ 2½ 2½ 2½ 2½ 2½ 2½ 2½ 2½ 2½ 2
Bowers 3.00 9 20 112 112 12 12 12 12 12 12 12 12 12 12 1	ConstA 0.09 3056 1636 16 1636 15 15 15 15 15 15 15 1
Campan & 620 14 87 SS 341 SS + 4 Seath 177 12 175 174 1656 17 - 4 Moog A 14 31 234 235 234 + 4 Moog B 165 237 234 + 4 Moog B 177 12 175 174 1656 17 - 4 Moog B 177 12 175 174 1656 17 - 4 Moog B 177 12 175 174 1656 17 - 4 Moog B 177 12 175 174 175 174 175 175 175 175 175 175 175 175 175 175	3.5 Comman S 2289 u2004 275 2934 + 178
Community 20 15 20% 20% 20% 20% Community Computer 5 150 7% 7% 7% 7% 7% 16 Water St. 14 14 14 14 14 14 14 14 14 14 14 14 14	Consistent S27 124, 113a 12 +3c Johnson W 2100 13 13 13 Pres Life 0.20 12 172 1432 143a 143a 143b 145c Consistent 3914 53a, 5 53a +3a Jones Int 191 104a 1012 105a Consistent 7 233 154a 15 154a +3a Jones Med 0.05 44 300 354a 342 347a Consistent 133 432 703a, 664a 703a, 43a West Seet A 22 1555 31 23 233a 143a Pres Life 0.20 12 177 1432 143a 143a 143a 143a 143a 143a 143a 143a
	Conylein 2975 573 574 574 575 1874 177 1314442 4272 4473 +78 Prod Ope 028 33 711 1068 644, 68 +2 Wisdom 1, 028 12 4 1273 1273 1274 1874 1874 1874 1874 1874 1874 1874 18
	Constant Constant 2173714 363 352 33 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3
Have your FT hand delivered in	Cross Res 170 7 6 5 6 7 7 8 KSubs 0.08328 79 13 7 12 13 13 12 13 14 1
	Cyrix . 9908 22 ¹ 4, 22 ¹ 6, 22 ² 7 + 78 Cyrix 1.04 14 537 39 ¹ 4, 38 ¹ 9 38 ² 9 - 76 Paintonn® 12 175 16 ² 8 15 ² 9 15 ² 78 Xincon 21 546 ² 5 14 ² 78 1.04 14 537 39 ¹ 4, 38 ² 9 48 ² 9 49 ² 9 4 ² 9 18 ²
	No. compgl
	Deri Groux 0.13 18 107103 107 +4 Determing 89 147 20 194 194 194 194 194 194 194 194 194 194
Gain the edge over your competitors by having the Financial Times delivered to your home of	DaughteDp 120 19 990±444 44 444 444 1 EASDAO is a fully regulated independent pan European Stock Market recursor on high growth companies with international aspirations. The shares of companies on the EASDAO Stock Market can be bought and sold through EASDAO Members. EASDAO Details 9 028 46 201 168 651, 69 +112
office every working day, manu denter and Street Single Cincluding Diversion	Delicing 3244 50 12 27 3 27 2 28 27 3 28 28 28 28 28 28 28 28 28 28 28 28 28
Danderyd, Stocksand and Sansjouguest.	Del Tech
	Dig Micro
	Dates You 807 72 72 72
・10-10-00 (1997) (1997) - 10-10-10-10-10-10-10-10-10-10-10-10-10-1	



mini REUTERS

FREEPHONE 0800 88 88 08 TODAY Voted Best Fluores

| Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Table | Tabl

Dir Omdanda ow. paid p

RECTROMO A ELECTRICAL ECOT

BEGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

ENGINEERING

在一个时间,我们就是一 MACHINE MARKET CHEST CONTROL OF THE Miles In Property

The state of the s Sometiment with the second sec

LONDON SHARE SERVICE

| PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | PART | 1,4 May Gat May Gat 1 May Gat 9 Apr 2.5 Apr 2.0 Apr Gat 5.0 Tay PROPERTY

Service Control of the Con Der Gebende der Wilder der Gebende der Geb ### OF ON DAY DESCRIPTION OF THE PROPERTY OF T Jun Ko At Indian A 1999 (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Mapped (1994)
All Ma SUPPORT SERVICES

SUPPORT SERVICES

THE PROPERTY AND THE nistrati i iskiesetti diittiisi a keimidä urii | | etaneili ed eeti seesi, eski sein esaasansi, ese , esaase, eski seesaase MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES

MENT COMPANIES | Mart | Last | Day | Coloniary | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mart | Mar Holes Pice 4

Fig. Vest 4

Fig. Vest 5

Fig. Vest 6

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Vest 7

Fig. Wish De chings net 22 52.71 1.5 20.11 1.7 20.21 1.7 20.21 1.7 20.21 1.5 20.20 1.9 20.20 1.9 20.20 1.9 20.20 1.9 20.20 1.5 20.2 gir Shekimds ov. paid — it. jesses 1.7. jesses 1.8. jesses — it. jesses 2.5. jesses 5.5. jesses 6. jesses 6. jesses 6. jesses 6. jesses 6. jesses 6. jesses 6. jesses 7. jesses 7. jesses 7. jesses 7. jesses 7. jesses 7. jesses 7. jesses 8. jesses 8. jesses 8. jesses 9. jesses 9. jesses 1. jesses 9. jesses 1. jesses

MONDAY

Reassuring Japan

Mrs Margaret Beckett, UK trade and industry secretary, arrives in Japan for a three-day visit. She will meet senior officials of Japan's Ministry of International Trade and Industry and the Finance Ministry, with the aim of reassuring Japan about the UK's business climate under the new government, and promoting British exports. Her meeting with Dr Shoichiro Toyoda, chairman of the Keidanren, Japan's main industry body, may raise interesting issues. Dr Toyoda is also honorary chairman of Toyota, the carmaker. This year a senior colleague of his caused a political storm in the UK by saying Toyota would reconsider further inward investment there if the UK did not join the European

Hazardous chemicals pact



monetary union.

Governments talks in Geneva on a new international treaty to ban the import of hazardous chemicals unless agreed

by the importing country. The pact, due to be signed next December, would make mandatory the existing voluntary procedure of Prior Informed Consent, now used by more than 150 nations. Still to be decided is the list of hazardous chemicals to be included in the treaty, which is sponsored by the United Nations Environment Programme and the UN Food and Agriculture Organisation. Despite the voluntary scheme, dangerous chemicals (including some banned in the west) are still exported to developing countries unable to handle

OECD agenda

them.

Finance, economy and trade ministers of the 29 members of the Organisation for Economic Co-operation and Development start their two-day annual meeting in Paris. Their agenda is expected to include unemployment. international regulatory reform, trade and investment and a planned initiative to combat bribery and corruption. The ministers will also commemorate the 50th anniversary of the Marshall Plan, the US-led programme of economic reconstruction of Europe after the second world war, which led to the establishment of the OECD.

Maastricht hearing

Denmark's appeal court is due to hear charges brought by a group of citizens against Mr Poul Nyrup Rasmussen, the Social Democrat prime minister, whom they accuse of violating the Danish constitution by signing the Maastricht treaty. They maintain that by committing Denmark to European Union membership under the



Today Denmark's appeal court is due to hear charges brought by a group of citizens that Mr Poul Nyrup Rasmussen, the prime minister, violated the constitution by signing the Maastricht treaty

Maastricht treaty of May 1993, Mr Rasmussen transferred more of the nation's sovereignty than was permitted by the constitution.

FT Survey Turkey

Tennis French Open (to June 8)

Public holidays

Bahamas, Bermuda, Georgia, Gibraltar, UK, US (Memorial Day), Zimbabwe

27

TUESDAY

Historic pact

Nato and Russia are to sign a historic pact in Paris which signalled the Kremlin's acceptance of the western military alliance's planned eastward enlargement. The deal followed months of negotiations. Both western and Russian leaders said it would reassure Moscow that Nato expansion did not constitute a threat while allowing the alliance to move into eastern Europe. President Boris Yeltsin and leaders from 16 Nato member states are due to attend the ceremony. Russia had been eager to conclude an agreement before Nato invites new members to join at its July summit in Madrid. Leading

EU gas competition

EU energy ministers will hold their first meeting since December, with discussions likely to be dominated by

contenders for admission are Poland,

Hungary and the Czech Republic.

attempts to reach agreement on plans to open the EU's \$100bn-a-year gas market to cross-border competition. Officials hope ministers might agree on the broad framework today, clearing the way for a special meeting next month to decide on the extent and speed of market opening. But talks could be hindered by French political uncertainty, because of elections, and by disagreements over how to deal with the problem of European gas companies which have 20- or 30-year contracts with gas suppliers, and could see their market share reduced by competition.

FT Survey

WEDNESDAY

Unemployment protests



ECONOMIC DIARY A TO COLOR

unemployment across the continent. The British Trades Union Congress is holding meetings across the country

European trade

staging a day of

protest at mass

unions are

and Mr Robin Cook, the UK foreign secretary, will address union members in London. A big march is planned in Brussels by the European Trade Union Confederation. Demonstrations are planned in Paris and in German cities as well as in Spain and Italy. The gatherings will provide some indication of what power and influence European | de Toledo", a large landscape painted

labour can still mobilise in the run-up to the EU's Amsterdam summit conference on the jobs issue.

Clinton visits Europe

The biennial transatlantic summit between the EU and US takes place in The Hague, where President Bill Clinton will meet Mr Wim Kok, prime minister of Netherlands, holder of the rotating EU presidency, and Mr Jacques Santer, European Commission president. Leaders will be signing two bilateral co-operation agreements on customs co-operation and control of chemical precursors to illegal drugs. The two sides may complete negotiations on a mutual recognition agreement, involving removing non-tariff barriers on \$40bn of traded goods. Discussions are also expected on the former Yugoslavia and Russia, relations with Cuba, Iran and Libya. Mr Clinton is expected to attend the 50th anniversary commemoration of the US Marshall plan for the reconstruction of post-war Europe.

Latin American focus

Demand for Latin American art has been rising steadily in recent years and this week in New York both Sotheby's and Christle's are holding auctions. The top lot at Christie's this evening is "Paquete Azul" (Blue Package) by the contemporary Chilean artist Claudio Bravo. The painting, of a blue package, carries a top estimate of \$600,000. At Sotheby's on Thursday "Sandias" by the Mexican artist Rufino Tamayo is expected to sell for about \$1m. This still-life of water-melons and apples, painted in 1951, is regarded as one of his most significant works. "Paysage

in 1917 by Diego Rivera, could make \$300,000.

Ruling on Korean rights

A court in Osaka is due to rule on a case brought by Korean residents of the Japanese city who are seeking voting rights in local elections. Osaka has a large Korean community. Many of them are second or third generation descendants of workers who came to Japan when Korea was a Japanese colony, or who were brought over as forced labour during the war. Despite their long residence, many do not have Japanese citizenship, and so have been barred from participating in politics.

FT Surveys

Luxembourg, FT Guide to Preparing for Rmu. Croatia

European Cup final between Juventus and Borussia Dortmund in Munich

THURSDAY

Pulp futures debut

London trading of pulp futures starts today for the first time. OMLX, the London-based securities and derivatives exchange operated by OM group of Sweden, says the contract will give participants in the pulp and paper industry - either sellers or buyers - a way to lessen exposure to price fluctuations through hedging. More than 15 wood pulp producers and consumers are to start dealing in the electronically-traded contract, called Pulpex, which is a direct challenge to the wood pulp futures market started by Finland's Futures and Options Exchange.

Indonesian vote indonesian voters are set to go to the polls today to vote in parliamentary elections after a tightly controlled campaign, marred by violent clashes between rival party supporters. Golkar President Subarto's ruling party, is set to win a sixth five-year mandate, clearing the way for presidential elections next year. Golkar said it expected to win 70 per cent of the vote, defeating the Islam-oriented United Development Party and Indonesian Democratic Party.

Nato prepares for summit

Nato foreign ministers begin an informal two-day meeting in Lisbon to discuss enlarging the alliance and to prepare for the Madrid Nato summit in July. They are expected to agree to step up military manoeuvres by the Partnership for Peace, an arrangement that provides for military co-operation between Nato and former Eastern bloc states. The proposals include more frequent information exchanges and strengthening ties between partners and Nato's command structure.

Clinton talks to UK cabinet President Bill Clinton is to address the British cabinet in a move designed to

symbolise the close relations between the two countries. This would be the first time a foreign leader has addressed a British cabinet.

Public holidays

Austria, Bolivia, Brazil, Chile. Germany (some states), Liechtenstein, Monaco, Poland, Portugal, Vatican City

30

31

FRIDAY

Asean enlargement talks

igarette riti

Asstales

A STATE OF THE STA

se move on sacration

2 P

gan assurance: Kurdice

Page 19 Pages Acal. Page 34

The Action with the

Carried Carried

The same of the sa

Page 33

rading disrupted: Receipt

Contractor in all tables and

No. Res. Co. Co.

gen a committee of the second second

seles on jobs policy

Transport and transport

Marchael Mar

The second second

dands groundings: Rock

kan ing kanusan sa ingga 🏗

Andreas Construction of the Party of the Par

ra tax reforms advante

್ಲಿಯೂ ೨೯೦೩ ವಿಶ್ವ**ಚಿತ್ರಕ್ಕೆ**

Commence of the Commence of th

TERLESSE LARGER

According to the second of the

Part that it per state

m Credit Bank repetted a

Service March 1967

Paps Seoul complaints

Employ to threat my

Prebukes Turkish Pin

English ever his bear

The Property of the Parish

Shed four missiles of

a so brasil silies militaria

See Loss Works

ted box of the records by

Shinday Memorial Des

gian and the che-gat and

e block island pre

es carrying prot

eafter pelité painte

Diaciu is ande,

th claimed them in

Jaken and Oktor

4 the FT web sate p

land analysis at her

CLAL TIMES LIN

Sol 1965's Berman Form

insident warrs against of

des strike in Lebu

dienile beses in south being relation for a beauty

rule: The since

in the state of the same of the

Service enarde

可能是你可能的特殊

et rises on asset many

The state of the s

- this

111 1997

what were

CONTRACTOR

- 一、本は其種

and the second

ALC: STORE !

THE TATALOGUE

Page 36, 10

on the 🛲

A A P T 電影 中華

To finished

Foreign ministers of the seven member nations of the Association of South East Asian Nations (Asean) meet in Kuala Lumpur (to May 31). They are due to discuss the proposed admission into the group of Burma, Cambodia and Laos, which are expected to be admitted this year in spite of objections from the US and European countries.

FT Survey Management Buy-Outs

SATURDAY

Pope to visit Poland



Pope John Paul ∏ starts a 10-day visit to his native Poland, his seventh since he started his pontificate 19 years ago. The object of the

visit is religious but the Pope is due to meet the presidents of Poland, Germany, the Czech Republic. Hungary, Slovakia and Lithuania at Gniezno to spur central Europe's drive for integration with the EU.

Soccer

Poland play England in a World Cup qualifying match at Chorzow.

FT Survey FT Guide to Retirement Planning

SUNDAY

French election

Second round of the French parliamentary elections. The first round was held yesterday (May 25).

Bolivian contest

Septuagenarian General Hugo Banzer is the front-runner in today's general elections in Bolivia, which mark 15 years of uninterrupted democracy. Although the former dictator may emerge as first-round leader, he will be far short of the 50 per cent required for outright victory. The six principal parties in congress will then decide which of the two leading candidates becomes president.

Compiled by Bob Vincent. Fax: (+44) (0)171 873 3194.

Other economic news

Monday: Public holidays in the US and the UK today, but German CPI data from several states expected to be released, along with trade and current account figures for March.

Tuesday: US consumer confidence should be led higher by the recent performance of Wall Street, while house sales are likely to show sustained strength. French household consumption in April could pick up by enough to raise the annual growth rate to 0.4 per cent. Wednesday: The Bundesbank meets, although there are no expectations of a change to official interest rates. Japanese industrial production for April to remain firm, following the MITT forecast.

Thursday: The UK deficit in visible trade should continue to bulge, towards £1bn (\$1.6bn) for March, while non-EU trade in April shadows March's £606m figure. Friday: A slew of data from Japan, led by unemployment and Tokyo's May CPI. But the large retail store sales figures for April will show the effects of the rise in consumption taxes, and record a sharp fall.

Statistics to be released this week									
Day Released	Country	Economic Startistic	Median Forecast	Previous Actual	Day Released	Country	Economic Statistic	Median Forecast	Previous Actual
Mon	Japan	Apr supermarket sales**		8.4%		Canada	Apr raw materials price index	-1.4%	-1.0%
May 26	Japan	Apr department store sales**		23.1%	Thur	Japan	Apr industrial production†	0.6%	-0.3%
	Germany	Apr import prices*	0.2%	0.0%	May 29	Japan	Apr shipments†		0.8%
	Germany	Apr import prices"	2.5%	2.7%		Italy	Apr hourly wages	4.5%	4.5%
	France	Apr consumer price index final*	0.1%	0.05%		UK	Mar globel visible trade	-£900m	-£758m
	France	Apr consumer price index final**	1.0%	0.95%		UK	Apr ex-EU visible trade	-9600m	-2606 m
	Germany	May Hesse cost of living*		-0.2%		US	Initial claims 24 May	321K	322K
	Gérmany	May Hesse cost of living™		1.1%		US	State benefits 17 May		2299K
	Germany	May N Rhine Westphalia cost living*		-0.1%		Canada	Mar fix-weight employee samings**	2.5%	2.4%
	Germany	May N Rhine Westphalia cost fiving"		1.6%		US	M2 week ended 19 May	\$5.3bn	-\$2.3bn
Tue	France	Apr household consumption;"	0,6%	0.0%		Nthiands	O1 gross domestic product prelim***	0.5%	0.5%
May 27	Sweden	Mar industrial production**	5.8%	7.8%		Nthlands	Q1 gross domestic product prelim**	3.2%	3.0%
	US	BOT-Mitsubishi 24 May		0.3%	Fn	US	Q1 gross domestic product prelim	6.0%	5.6%
	us	Apr existing home sales	4.10m	J.11m	May 30	US	Q1 gross domestic product price inde	2,7%	2.7%
	US	May consumer confidence	117.5	116.8		Japan	Apx consumer price index (nation)**	1.6%	0.5%
	US	Redbook 24 May		0.8%		Јарап	Apr unemployment rate	3.2%	3.2%
	Japan	May wholesale price index 2nd 10 day	rs.	-0.1%		Japan	Apr retail sales**		14.1%
	Japan	Apr BOJ corporate services prices		-0.4%	During the week				
	Japan	Apr BOJ corporate services prices*		0.2%		italy	Apr M2 3-month average	7.4%	7.3%
Wed	Germany	Mar trade balance	DM7.5bn	DM9.2bn		italy	Apr total bank lending	2.5%	2.2%
May 28	Germany	Mar current account	DM1.0bn	-DM1.55n	_	Germany	Apr Icon consumer climate	· · ·	89.0
	France	May INSEE industrial survey	-1.0	-3.0		Germany	May prelim cost of living* west	0.2%	-0.2%R
	ŲS	Apr durable orders	1.0%	-3.0%		Germany	May prelim cost of living™ west	1.2%	1.3%R
-	US	Apr durable shipments		0.7%		Italy	Mar trade balance (payments)		L1500bn
	Canada	Canada Apr Industrial prod price index* 0.3%		0.2%	"month on month, "year on year, ""Ortr on ortr, †seasonally adjetd			Statistics, Standard & Poor's MAS	

ACROSS

- 1 Very blue swan with a high
- voice (6)
 4 To reverse excessively in a dance is silly (8) 9 An indistinct impression of
- untidiness (6) 10 Some pressure in factory with single refreshment counter (8)
- 12 I acted in variety show (8) 13 Be still shivering (6) 15 Badly delivered over to knock about (4) 16 Untrustworthy advice for
- cheaper air travel (3-2-5)

 19 An opportunity to put one in the picture? (6,4)

 20 I love getting a thank-you letter (1)
- 23 I breathe fresh air in part of Spain and Portugal (6) 25 Reg gets entangled with
- metal wire (8) 27 The prototype of an oli-rig installation (8) 28 Sleeping fish? (6)
- 29 Sweetheart joins sergeant in dance (8) 30 A horse that's better in the 24

- DOWN Sack for someone who takes money (7)
 Legally under constraint to
- jump across (5,4)
 There must be the will to
- provide it (6) Forget to put it on the 6 Learnt to become easy-go
- ing (8)
 7 Initially it may be uphill, even steep (5) 8 Item with which man covers a limb (7)
- Runner allowed to enter the rerun heat (7) 14 She is seen in an evil envi-ronment looking shamefaced (7)
- 17 A mundane subject (9) 18 Possibly given tie in case 19 Extra benefit one sort of bowler on cricket side pro-
- vides (4-3) 21 Kick out married lover (7) 22 Is getting in support to stand one's ground (6) In the border I can find heather (5)

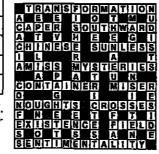
26 Mineral used as a filler for dental cavities (4)

WINNERS 9.372: Miss M.A. Flack, Sawston, Cambs: N. Chandra, Washington DC, USA: Miss J. Cotterill, Wellesbourne, Warwicks; T. Penhale, Torquay. Devon.

MONDAY PRIZE CROSSWORD No.9,384 Set by DANTE

Six bottles of Davys Celebration Champagne for the first correct solution opened and three runner-up prizes of £40 Davys food and wine vouchers redeemable in person or by post. These prizes are available only to winners living in England, Scotland and Wales. Winners with overseas addresses will receive a set of silver-plated place name bases and cards. Solutions by Thursday June 5, marked Monday Crossword 9.384 on the envelope, to the Financial Times, 1 Southwark Bridge, London SEI 9HL Solution on Monday June 9, Flease allow 28 days for delivery of prizes.

Addres



Solution 9,372



FINE WINES AND EATING



JOTTER PAD